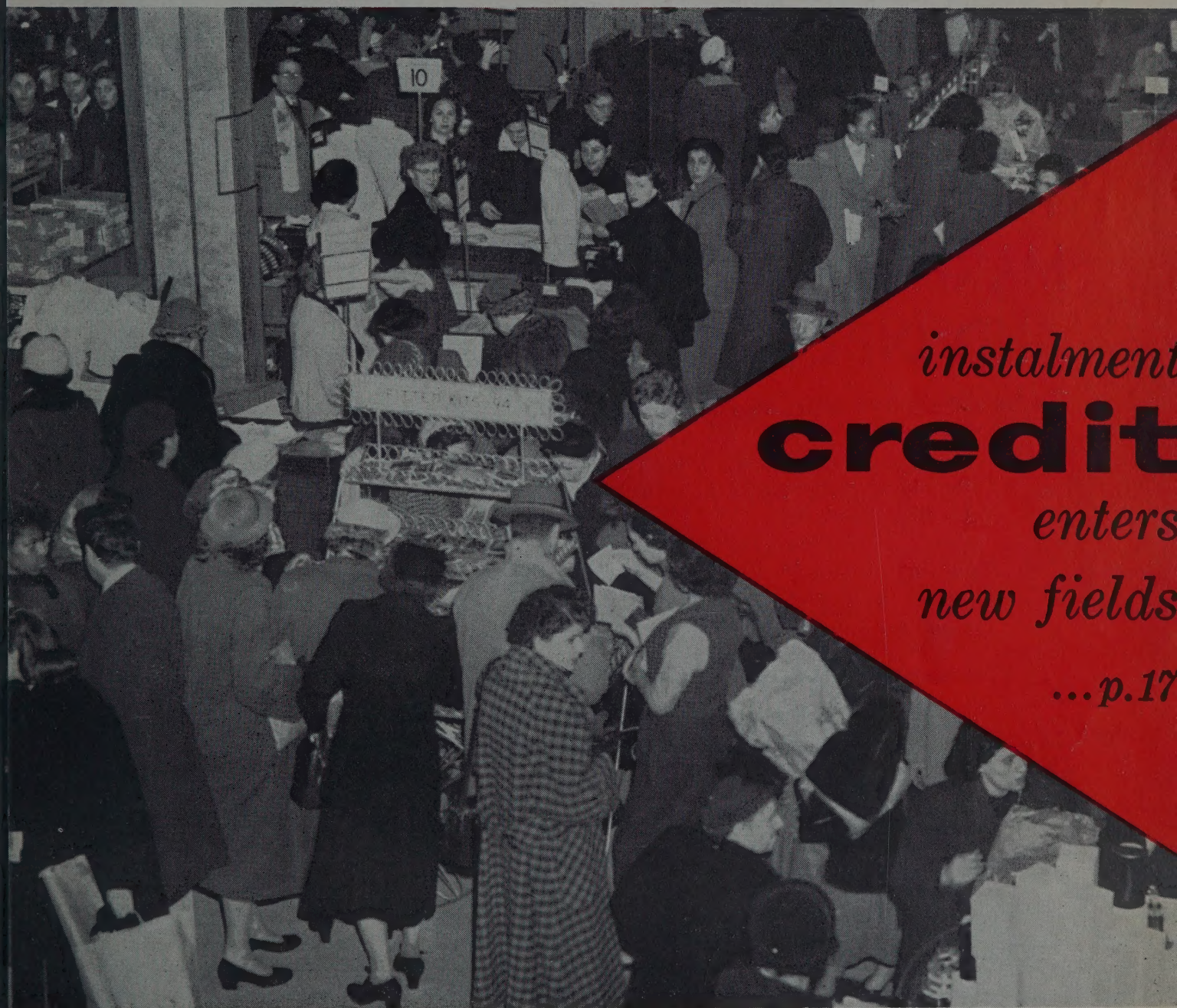


Tide

JANUARY 28, 1956 • 50¢



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enters
new fields
...p.17

WHICH DECANTER
SOLD BEST?

p. 24

WHAT HAPPENS IF
AUTO SALES SLUMP?

p. 26

THE NEXT BIG NAME
IN APPLIANCES

p. 28

WHAT ARE THE FACTS ABOUT AUTOMATIC SELLING...?

Subscribe now to Vend, the magazine of automatic merchandising and receive the vending industry's only complete annual marketing guide and buying source book . . . with 3-year trends in the major vending markets and a forecast for the future . . .

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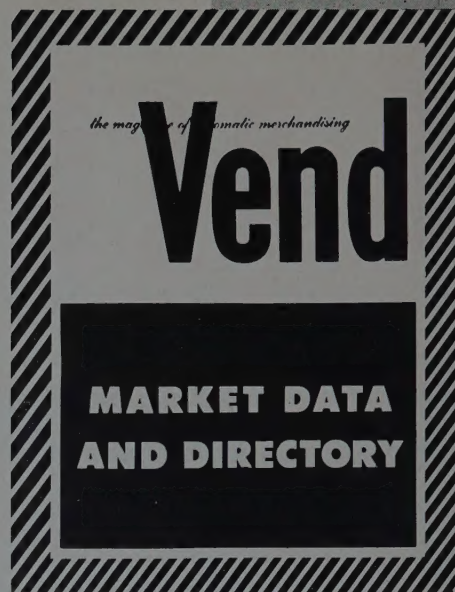
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Nature of Business _____

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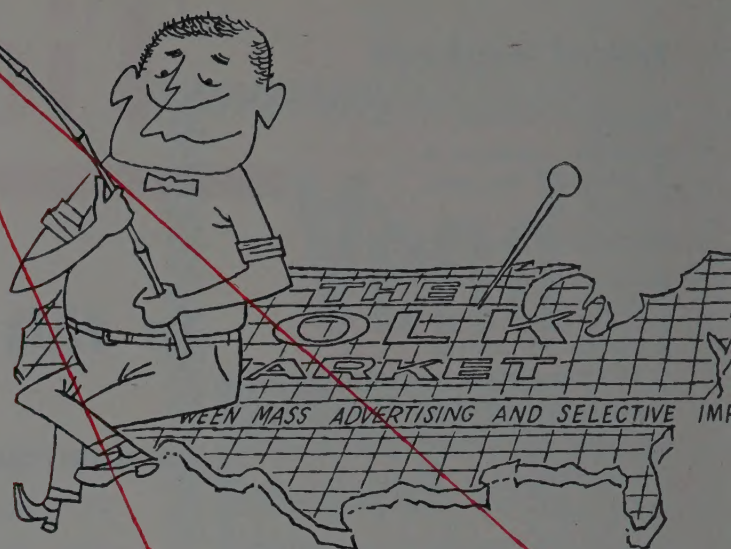
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We can pick your buyer

As the result of five years of testing-in-use with the cooperation of major national advertisers and their advertising agencies R. L. Polk & Co. today offers a new advertising idea . . . a new medium which enables advertisers and their agencies to complete their marketing program by appealing directly to their individual potential buyer with unprecedented vigor.

This new medium is The Polk Market, a highly-refined, constantly-updated source of 50 million American buyers . . . and five times 50 million facts about these individuals.

Now Polk can help the advertiser and his agency *define* the potential buyer in terms of his social and economic characteristics . . . what kind of neighborhood he lives in, what kind of house he lives in, whether he owns his home or rents, whether

R · L · POLK & CO.



*Media's role in marketing

We don't imagine that there can be any question as to this magazine's position on the new and broader concept of marketing. It explores in every issue not only the concept, but also its application and its relationship to the several factors which together make up marketing strategy for most companies.

We have also urged that advertising agencies must of necessity become marketing agencies if they are to make a worthwhile contribution to what we have called "the age of marketing." There is still, however, a notable gap in the line-up of those who should co-operate in planning the marketing strategy of companies. That gap can and should be filled by the various advertising media.

The \$8 billion which companies spend every year on advertising obviously gives them an enormous stake in advertising media. But it is a discouraging fact that although the \$8 billion represents a major element in marketing strategy, the media themselves seldom have a part in the planning of the strategy.

It seems to us that there are two reasons why media is usually left out of the planning in spite of their obvious interest in contributing to it. First, it is a deplorable fact that far too many media representatives simply do not have enough knowledge of their prospects' problems to discuss them intelligently. Secondly, most companies and their agencies are unwilling to give media the information they would need for such a discussion.

Surely, it would be a highly desirable thing for media and their representatives to have such an understanding of advertisers' marketing plans so that they could realistically relate the media to such plans. The first need, of course, is for better-trained media representatives who are aware of the importance of understanding company marketing policies. There are certainly many media representatives who are perfectly capable of comprehending the policies, but it is essential that they first understand the necessity for being exposed to them at all.

Then, and only then, will companies and their agencies even begin to discuss their marketing strategy with representatives. Even then, it will take a long time before they will have the complete trust and confidence of both advertisers and agencies; there have been far too many instances of broken confidences on the part of media for companies to accept their discretion completely in the very near future.

There can be no doubt, however, that it would be eminently desirable from everybody's point of view for media to occupy such a position of trust.

There can be no doubt, either, that with the proper training, the proper knowledge and the willingness to take the time to earn such trust, media will ultimately play the part in company marketing strategy that it should.

*Retailing loses its grip

Another important segment of marketing that seems to be falling somewhat short of its manifest obligations is retailing. Harold B. Wess, marketing professor at the American University, in a recent speech, pointed up the problem as well as we've seen. Professor Wess said bluntly that "retailing no longer attracts promising young people . . . is losing its impact and influence on the consumer at the point of sales and relies more and more on the pre-selling job done by the manufacturer."

As Professor Wess put it, "Creative selling is disappearing from the retail counter and . . . in the long run will prove to be a detriment to our expanding economy." Wess complains bitterly and rightly that retailing as a business has by and large neglected shamefully such areas as executive training, and, most important, research. "The subject of primary interest concerning consumer demand has become the consumer himself. . . . How, in what direction and to what degree is the consumer spending of a nation influenced . . . ? Who but the retailer is better qualified, more responsible and the most interested party in this study of the consumer? Yet research is at the bottom of the organization ladder in retailing."

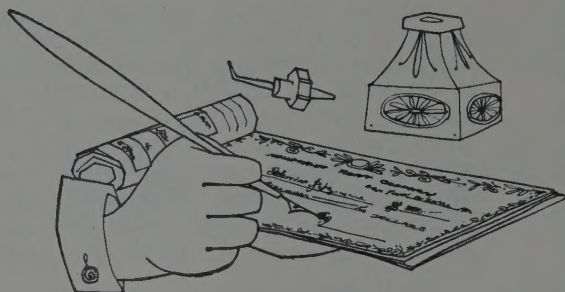
Professor Wess's point is surely well-taken. There might well be no limit to the amount of goods and services that can still be moved if retailing as a whole wakes up to its responsibilities. American industry has amply demonstrated its ability to produce, but to demonstrate that it has equal ability to market what it produces it must have the whole-hearted co-operation of the entire marketing chain, not only the manufacturer and his advertising agency, but also media and, perhaps most important of all, the retailer.

It is probably all too true that retailers can tell us more about the consumer than anyone else and that alone is vitally necessary to marketing.

Manufacturers will do well to become increasingly concerned by such retailer apathy and at the very least should encourage retailer innovation and leadership with much more vigor than ever before.

The Editors

2,000,000 who?



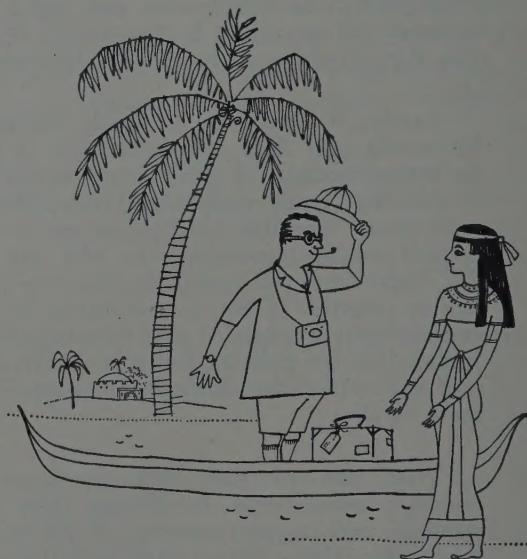
Good customers. The TIME-family income is more than double the U.S. average. TIME readers habitually buy more for themselves and their homes—can easily swing several major purchases at once.



Good citizens. The responsible, articulate men and women who read TIME are active in community, business and social groups—and a great many of them hold public office.



Influential people. Again and again the most important people in America—presidents of colleges, government officials, leaders of business, medicine, the press—vote TIME “the Most Important Magazine in America.”



Travelers. TIME readers want to go and see for themselves the people and places they read about each week in their favorite magazine. They have the kind of positions that call for frequent business trips . . . the time and money to take vacation trips whenever and wherever they choose.

... to reach the big top of your

MARKETING FORECAST

JANUARY 19, 1956

New Entries in Electronic Ranges & Ovens:

The big push is coming for electronic ovens.

Two years ago, Raytheon Mfg. Co. introduced its Radaranges, electronic ovens for commercial use, which cook food by microwave energy. The advantages: cooking takes one-sixth the usual time, stove remains cool.

Electronic ovens are already in use in many restaurants, including the Howard Johnson chain, and on the superliner United States.

Now, General Electric and Tappan Stove Co. each plan to make & market electronic ovens and ranges for home use. And Raytheon will make a home electronic unit to be marketed by Hotpoint. Biggest barrier is price: cost right now is about three times present electric units.

Toy Makers Fight Seasonal Sales Vise:

For years, toy manufacturers have looked for a way to spread toy sales over the full year, rather than have them concentrated in the Christmas season. Last year, for example, 70% of all toy sales were recorded in the six-week period before Christmas.

Now one company—Ideal Toy Corp.—is making a determined effort to break out of the seasonal sales vise.

Ideal's plan is called Operation Earlybird, works like this: distributors who place big orders now needn't pay until October, get billed at current prices (which are due to jump 10-15% after March 1).

Ideal will back its plan with full-scale ad & publicity program to push toys as birthday gifts, sick-in-bed presents, special store events and holiday tie-ins. Television and magazine ad schedules are being revised to reach adult audiences as well as children.

European Travel Market Booming:

The European travel market, big as it was in 1955, appears headed for a tremendous increase in 1956 and 1957.

This year alone, air travel is expected to expand by 25% above the approximately 600,000 passengers carried last year. Reasons: more travel credit plans, reduced off-season fares, rising disposable income.

In 1957, when larger equipment (DC-7C's, Bristol Britannias, etc.) appears en masse on North Atlantic sky runs, business will increase even further.

Transatlantic steamship lines will be running at full capacity this summer, will make more off-season voyages to pick up additional business.

Only fly in the ointment, report travel agents, is the slowness of European hotels and restaurants to adjust prices downward to the volume tourist trade which now dominates the market.

**What's Behind
the Latest
FTC Charge:**

Three major oil companies and three tire manufacturers find themselves under government attack for a marketing practice that's gone on for 20 years.

The Federal Trade Commission charges that the oil firms place undue influence on their distributors and service stations to sell certain "TBA" products, a trade term for tires, batteries & accessories. In return for their help, the oil companies get a commission on the business they generate.

Linked together are: Firestone Tire & Rubber Co. and Shell Oil Co.; Goodyear Tire & Rubber Co. and Atlantic Refining Co.; and B. F. Goodrich Co. and the Texas Co.

FTC claims the practice restricts competition. The companies under attack say the scheme is legal, has gone on since the 1930's. Texaco claims its dealers are free to sell TBA products from any source.

Don't expect any change in this marketing practice until FTC reviews the findings of a trial examiner due in late March. And if FTC should issue a cease & desist order, look for a long and involved legal fight.

**A Major Move to
Keep Up With
Modern Marketing:**

Koppers Co. is taking a significant step to keep up with modern marketing techniques.

Twice a year, Koppers will send groups of its marketing management to Princeton (N. J.) for a three-week seminar in advanced marketing. First session is now under way, with Koppers executives studying under some of the top U.S. marketing specialists.

Purpose of the seminar, says Koppers, is to recognize fundamental changes taking place in U.S. economy, to gain benefit of best available information on principles and techniques of professional marketing management, and to maintain a well-informed marketing management team.

**New Life for
Carpet Sales?**

Carpet manufacturers are working hard on a method to boost sales. The idea is to persuade the FHA to allow carpeting and rugs to be included in the price of a new home under mortgage provisions.

Many new home owners, after digging into savings for the initial cost of a house, find it hard to meet even the extended credit terms offered by some carpet makers. Often they settle for hard floor coverings instead.

If the FHA agrees, look for the carpet industry's long-depressed sales figures to come alive.

WASHINGTON FORECAST

LOOK FOR MORE PARTICIPATION BY MARKETERS IN TRADE associations during 1956. U. S. Chamber of Commerce points out that some 12,000 trade and 1,000 professional associations will step up programs involving product research, public relations, and market expansion plans. Sagging sales areas will get fast attention from association groups.

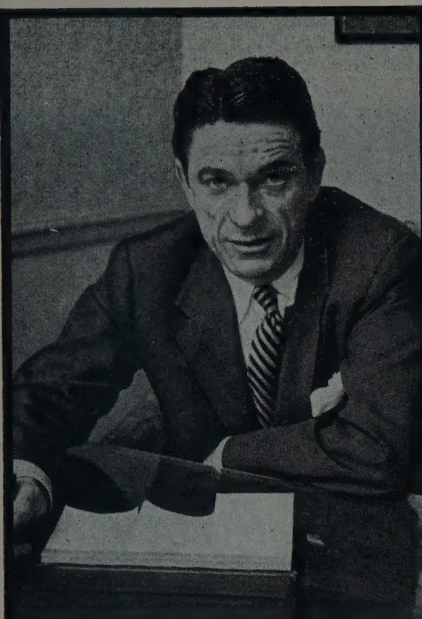
LOOK FOR MORE LIQUOR STORES TO JOIN THE OPEN-WINDOW liquor retail outlets are combing local laws for possible legal snag to drive-in selling. Cheering note from Washington vicinity was the recent decision of a circuit court judge overruling a County Liquor Board attempt to stop the sales. "The so-called drive-in window is a new gimmick in the merchandising of alcoholic beverages," Judge Charles C. Marbury ruled, similar to that used at many new banks.

THE GOVERNMENT MAY HAVE TO STEP INTO THE NEWSPRINT crisis, and soon. The Commerce Department's Forest Products Division foresees a serious shortage by 1958. In spite of the looming shortage, the Department predicts U. S. newspapers will average 53-page dailies in 10 years compared to today's average of 40 pages. Sunday papers will go from 134 to 179 pages. The Department also foresees daily circulation figures passing 66,000,000 in 10 years, over today's 56,000,000 average. Sunday circulation, now close to 47,000,000, should reach nearly 57,000,000 by 1965.

FOOD RETAILERS MAY PUT THE BRAKES ON TRENDS TOWARD oversized packaging. The Agriculture Department's Marketing Service reports that consumers want to buy their foods in smaller units. Increasing numbers of food marketers are solving once-a-week suburban shoppers' demands by providing large packages containing smaller units,

AMERICANS MAY SOON PLAN THEIR FAMILIES TO CORRESPOND to their timetables for buying cars, homes and large appliances. Ronald Freedman, Michigan University demographer, advises statisticians to keep track of population shifts by thinking of new children as consumer goods. "Many families are choosing a standard of living which involves a certain kind of car, a TV set, certain standards of housing, and a certain number of children," he says. American yen for planned leisure and travel will also influence future birthrates.

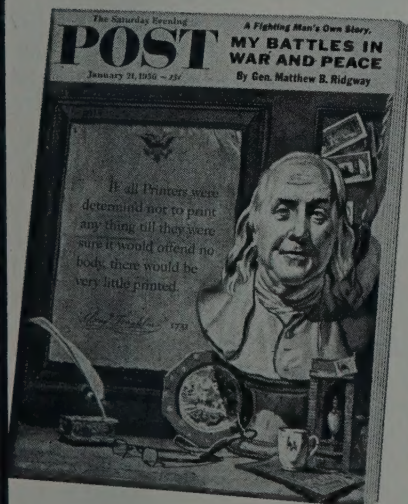
TELEVISION'S MORNING AUDIENCE OF PRE-SCHOOL SMALLFRY who clamored so satisfactorily for cereals and chocolate drinks is dwindling. The Census Bureau reports an increasing number of the five and six-year age group are being siphoned off into kindergartens. Five and a half million of the romper set enrolled in schools this year, representing a jump of nearly 40 per cent over the 1950 enrollment for this age.



"General Ridgway has just dropped a blockbuster on Washington!"

LEE WHITE, Vice President and Account Supervisor, Biow, Beirn, Toigo, N. Y., previews "My Battles in War and Peace" from this week's Post.

"You've probably heard rumblings about Ridgway's disagreements with the Secretary of Defense. This week it becomes a full-fledged blast! The retired Chief of Staff says all the things he couldn't say when he was in the Pentagon. It's hard to judge who's right and who's wrong, but I'll bet the next noise you hear will be a barrage of big guns from Washington!"



In all, 8 articles, 4 short stories, 2 serials, and many special features in the Jan. 21 issue of The Saturday Evening Post.



U.S. Army Photo

PROVING GROUND

How well will it work?

Whether you're testing atomic artillery or advertising technique, only the actual proving ground trial can give you the final answer.

That's why Tide offers "proving ground service"—where advertisers and their agencies can Starch-test their ads at no extra cost.

Alert your agency or promotion department to Tide's Starch-dates now.

Your Tide sales representative can show you exactly how to make the most of your Starch study report.

Tide . . . 232 MADISON AVENUE, NEW YORK, N.Y.

THESE TIDE ISSUES WILL BE STARCH-TESTED:

MARCH 24

Closing date: March 9

APRIL 21

Closing date: April 6

MAY 19

Closing date: May 4

JUNE 16

Closing date: June 1

AUGUST 25

Closing date: August 10

SEPTEMBER 22

Closing date: September 7

OCTOBER 20

Closing date: October 5

NOVEMBER 17

Closing date: November 2

CHICAGO

LOS ANGELES

SAN FRANCISCO

GENERAL MARKETING

You can buy anything on the cuff as...

Instalment credit enters new fields

- More and more instalment credit plans blossom.
- Significantly, manufacturers are flocking into the business.
- So are smaller retail stores for the first time.
- The result is a lesson and an example for alert marketers.

FOR better or worse, marketers in more & more product fields depend more & more on credit for successful selling. Just in the past couple of years credit schemes have appeared to help sell travel, meals, all sorts of soft goods, home decorating, leisure time equipment such as power tools, sporting goods and photographic supplies.

The reasons for the credit overflow are threefold: the consumer, despite his income rise, apparently finds it hard to satisfy his wants today on a strictly cash basis. Second, he seems to buy when credit is available. But the third reason may be the most important of

all. As one company or product field extends credit, another notices and follows the trend — witness the recent amazing growth of credit facilities in the travel business. Thus business competes more & more not just on product, but on service or convenience.

Just how much the spread of instalment credit into new fields helps sustain the economy no one can even venture a guess. Nor can anyone know just how much these new areas of credit selling contribute to the enormous sums of outstanding credit dollars (see box). It may be, of course, that outstanding instalment credit is not anywhere near as frightening as it once

might have been, simply because it is spreading over an ever-widening area of consumer purchases — wider than anyone would have thought possible before World War II.

In any case, the trend has a clear and compelling lesson for marketers. A look at how some companies and some industries use instalment credit will quickly convince you that no matter what the product or what its competitive problems, there is a way to boost its sales—with instalment selling.

Some major oil companies issued credit cards as early as the 1920's, but the cards did little to generate more sales until after World War II, when automobile ownership began to climb rapidly. One major oil company, fairly representative of those issuing credit cards, figures that cards account for 15% of its retail sales today. With personal consumer expenditure in gasoline stations estimated at \$12 billion for 1955, credit clearly accounts for a

■ The accompanying article covers the major fields now making credit available for the first time. The results: purchases as low in price as that of a telegram can now be bought on credit.

Not just industry, however, makes credit available for more kinds of products. Some banks, particularly those in fast-growing suburban areas, also help inflate the credit balloon. One notable example is the Franklin National Bank (20 branches in Long Island's burgeoning Nassau County) which in 1950 offered to finance charge sales for local businesses. The idea went over with a bang. Dollar volume of such credit reached \$1,744,000 in 1953, nearly doubled to \$3,253,000 in 1955.

Providing merchants with credit facilities they might not be able to carry on their own, thinks Franklin president Arthur Roth, boosts sales, spurs merchants to "trade up" customers—i.e., sell them something that costs more than what they might buy on a one-payment cash deal. Now in the plan are some 615 stores (in Nassau, Suffolk and Queens counties), including clothiers, bookstores, pet shops, lumber yards, hardware stores, upholstery shops, auto supply stores, fuel oil companies, etc. The average store reports

an annual \$3,000-\$4,000 in charge business, some do up to \$40,000 a year. In all, some 72,850 people carry Franklin credit cards.

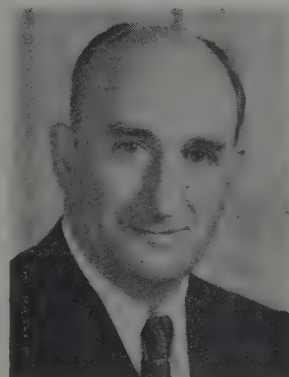
Here's how the Franklin credit scheme works. The bank awards a credit card to worthwhile risks. Card holders sign sales tickets which the retailer then deposits in the bank as he would a check (the bank deducts 5% of such sales for service charge). The customer is billed directly by the bank at month's end.

For items tagged at \$50 or more, Franklin has a budget account service which allows a customer to pay one-third of the bill every month, clearing the books in 90 days. (Service charge here is 6%, which compares favorably with a standard 8% interest charge on this type of loan.)

Franklin may soon launch a revolving credit scheme similar to that used by many department stores but which will include food purchases (see accompanying article), possibly extend credit facilities to service stations, opticians, etc., which aren't covered under present Franklin credit schemes.

Today some 62 banks throughout the U.S. have similar plans, 22 of which are franchised by Franklin National Bank. ■

Credit plan for small retailers



Franklin National Bank's president Arthur Roth

The Most Liberal Credit Policy in the History of American Business!

Now you can send telegrams wherever you are and have the charges billed to you later

Here is important news for every man and woman in the country! Under Western Union's new credit policy—the most liberal of any ever extended to the public by any American corporation—you can now charge telegrams wherever you are, at home or away, any time of the day or night.

Why this new "Charge It" service?

Why is Western Union instituting this new and unusual policy? Why has the nation's telegraph company decided to extend universal credit? First, because this is a policy which fits into Western Union's modern, high-speed telegraph service. Second, because it is a policy of expansion and improvement.

3 forms or applications to fill out; no waiting necessary. We'll gladly extend credit to you on your word alone.

Send telegrams from any phone

Now, Western Union is really as near as the nearest telephone, wherever you happen to be.

In your business communications, and for personal messages of all kinds, whenever you want to get in touch with someone in a hurry, it's the easiest thing in the world to take advantage of the speed and economy of telegrams. Since you can charge telegrams simply by calling Western Union, every telephone is, in effect, a telegraph "office."

you will use telegrams.

It's wise to wire

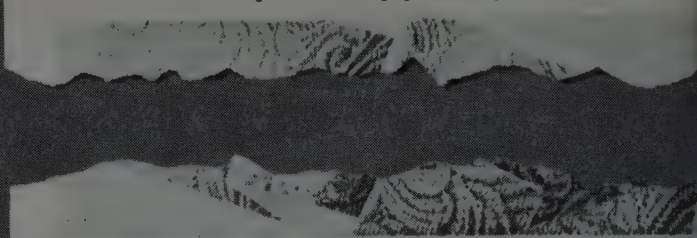
Send a telegram whenever you want fast, accurate, efficient, and economical communication. To set up appointments, quote prices, get facts in writing fast, collect delinquent accounts, pave the way for salesmen... do it by wire. To send holiday and congratulatory messages, flash birthday greetings, arrange travel accommodations, keep in touch with home or office while you're away... do it by wire.

Remember—wherever you are, just phone or visit Western Union and say "Charge it".

WESTERN UNION

Why put it off... buy your carpet the Bigelow way!

Deep, sculptured Bigelow Siboney Royale
yours to enjoy while you pay for it!



Enough Siboney Royale carpeting

for one large room only \$2.75 a week*



How beautiful your home will be with Bigelow Siboney Royale broadloom!

The soft, rich colors... the new 3-dimensional design... the deep, dense pile... all create such a wonderful mood of luxury, comfort and quiet.

And because it's a Bigelow Wilton, you know Siboney Royale is woven with an abundance of 100% virgin wool yarns. That means long wear and easy care.

What's more, Siboney Royale is a Bigelow Lok-weave®. Each tuft is locked in place so it resists unraveling. Edges need no binding.

Yes, home means more with a carpet on the floor... especially if it's a Bigelow. So buy yours the Bigelow way. Enjoy it as you pay for it.

*Easy monthly payments! Your Bigelow retailer will arrange low monthly terms, often without down payment. When you pay by the month, enough Siboney Royale to cover one large room from wall to wall costs you only about \$2.75 a week. Room-size Siboney Royale rug, and other beautiful Bigelows on easy terms, too.



Bigelow

Number 1
name in Carpets

Choose your carpet from the Bigelow Sample Box. A wonderful variety of Bigelow colors, textures, patterns and prices at your fingertips. Makes carpet shopping and buying so much easier.

hefty chunk of dollars. One firm says credit cards help sales in two ways. The card is a tangible tie with the company. And credit card customers are better customers—they tend to buy top quality products.

➤ Consumers now spend about \$10 billion a year on foreign and domestic travel, and credit accounts for a small but steadily growing portion of it. Charge account travel, long a boon to executives who need records for expense account and tax purposes, today covers a host of travel service, is now invading the mass, or tourist-class, travel market.

In 1934, American Airlines started an air travel credit card plan. Other major air carriers soon joined the scheme with the result that card holders can travel the country over on one card (American Airlines alone has 21,000 accounts). Total billings under the plan (mostly first-class) were well above \$350 million last year, 20% above the 1953 mark and, says American, the trend is still upwards.

Early in 1954, Pan American World Airways started a Go Now, Pay Later plan, which allows travelers to pay 10% down, take as long as 20 months to pay the balance. That, thinks Pan-Am, gave it an additional \$4,200,000 in sales for the year ended May, 1955.

For the traveler, Go Now, Pay Later has a major advantage. The Air Travel Credit card requires a \$400 cash deposit on record. Go Now, Pay Later requires none. Further credit card charges are billed monthly.

Recently big domestic air carriers decided credit might be a way to build tourist-class travel. One reason: people in the \$250- to \$600 a month income group, (which today comprises about 50% of domestic airtourist credit passengers) often don't have cash enough for a long-distance vacation trip,

though they're still good credit risks.

In the fall of 1954 domestic air carriers followed Pan-Am's lead, found credit a healthy sales-generating force. For the first 11 months of 1955, Trans World Airlines figures that 1.1% or \$2,700,000 of passenger revenues (domestic and international) was accounted for by credit sales. A small start, perhaps, but TWA expects another 10% boost in credit sales this year, sees an increased rate of growth from now on. The airline estimates that 85% of the people who traveled on credit last year would not otherwise have been able to make such trips. Terms allow up to 20 months to pay, with interest at 1% per month on the balance of the account. TWA encourages people to pay off the account in 12 months, if possible, figures that way the customer will be a better prospect for next year's vacation.

➤ These credit plans help boost sales for the entire travel business, not just the air carrier. Go Now, Pay Later, for example, will sell package vacations (i.e., including fare, hotel, sightseeing, meals, etc.). Air travel credit cards are honored at many hotels, can be used by business travelers for car rentals. American Express Co., too, offers complete vacations on credit ranging from \$300 to \$5,000, depending on ability to pay. The American Hotel Assn. last year started setting up a Universal Credit Card for all member hotels, though its details are still not worked out.

The nation's railroads, never known for aggressive promotion of passenger business, last fall revived the rail travel credit card which had a short life in 1947, collapsed when several major roads suddenly pulled out of it. In the hope of reviving dwindling passenger traffic, 43 of the nation's 75 major roads (e.g., Pennsylvania, Santa Fe, New York Central, Northern Pacific)

belong to the setup. No deposit is required for the card and railroad members will charge any amount of service, including food and liquor (state laws permitting) as well as fares.

Credit is even available to travelers for telegrams. Last September, Western Union launched a wire-now-pay-later plan. It means you can now send a telegram over the phone or at a Western Union office to anywhere and you'll be billed at your home address. Western Union's general manager Ralph D. Saylor figures the new system will work well, remarks that charge customers buy more than cash customers.

➤ In the booming postwar era, good eating and entertainment have reaped a bumper crop in sales. Here, too, credit plays an increasingly significant part in boosting sales, building customer loyalty.

In 1955, for example, consumers spent an estimated \$17 billion in the nation's eating and drinking places and charged about 15% of the total bill. Accounting for a small portion of that are nation-wide charge account clubs, catering to executives and other high-income consumers. By taking about 7% of gross, these clubs foster business for hundreds of restaurants, car rental services, sporting events and the like. Monthly billings give cardholders accurate expense records, make income tax calculations considerably easier.

Here's what's new in this field.

• In 1950, Manhattan lawyer Ralph Schneider hatched the single credit card plan enabling business and traveling people to go to restaurants and hotels throughout the world and get immediate credit. Thus, the Diners' Club was born. Cardholder charges rose from \$1,232,176 in 1951 to \$22,677,402 in 1955 (fiscal years ending

ANNOUNCING

the first time payment plan
ever offered by a
major firearms manufacturer—



Will you visit your Winchester dealer
You deserve a Winchester—now get yours through
the Winchester Time Payment Plan.



WINCHESTER
MUNITION DIVISION • ELIN MATHEWSON CHEMICAL CORPORATION • NEW HAVEN • CONNECTICUT

These marketers recently started credit plans.
So far, say they, they're boosting sales

mands of cash desposit on entrance and full payment of the bill on discharge. The system, in use about a year, records no defaults, has begun to spread throughout the nation. (Cardholders under the ubiquitous Blue Cross plan don't have to pay a cash desposit on entrance to a hospital, but must pay the difference between plan benefits and the total hospital bill when they leave.)

► By far the most significant moves in credit selling, however, are happening in the retail marketplace—not only in the large metropolitan department stores and their suburban branches, but in small specialty shops, hardware

dealers and vendors of leisure time equipment such as sporting goods and photographic supplies.

Last year U.S. store sales (including department stores, mail order houses and small shops) amounted to an estimated \$185 billion, a sharp rise from 1954's \$170.66 billion.

Large department stores, of course, have long recognized credit as a marketing aid. The 30- to 90-day charge account has long been socially acceptable in large-volume retail enterprises, but it's just beginning to take real inroads among small retail stores.

More intriguing, perhaps, is a new idea gaining wider acceptance among

March 31). For the six months ended Sept. 30, 1955, charges totaled \$16,178,571. Diners' Club now claims 210,000 U.S. cardholders, who each pay a \$5 annual fee for membership. Bills are mailed monthly. So large is the operation that last fall the club decided to become a publicly owned corporation, offered its stock for sale.

• The Gourmet Guest Club, sponsored by Gourmet magazine and financed by the enterprising Franklin National Bank (see box) was started in January, 1955. The club has 900 restaurants participating and some 40,000 cardholders throughout the country.

• This month, Esquire, Inc. (Esquire, Apparel Arts, Coronet magazines), launched the Esquire Club designed to offer similar services. The Esquire Club, however, shuns the word credit, classifies itself as a service organization designed to cater to the \$10,000 and above income group. It offers participating firms payments within 48 hours as compared with a usual 30-day period for the other clubs. Charter members will pay \$5 the first year, \$6 thereafter.

► Recently the Stanley Warner Cinerama Corp. put into effect a charge system for purchasing theater tickets. A holder of any major gasoline or air travel credit card or Trip-Charge card (of which there are an estimated 25,000,000 in the country) can purchase Cinerama tickets in any of the 14 major cities where Cinerama is showing and say "charge it." Trip-Charge, which is handling the billing, is a three-year-old organization whose cardholders can charge expenses in restaurants, hotels, barber shops, etc., in major cities throughout the world.

On the medical front, one Little Rock (Ark.) hospital has a courtesy card which identifies the holder and does away with the usual hospital de-

Is consumer credit too high?

You can probably argue all night on either side of the question: "Is consumer credit too high?" The figures show its recent rocket rise:

	Disposable income	Year-end total credit outstanding	% of credit outstanding to disposable income
	(all figures in billions)		
1948	\$187.6	\$14.4	7.7%
1950	206.1	20.8	10.1
1952	236.7	25.8	10.9
1954	254.8	30.1	11.8
1955	265.0	36.2	13.6

Outstanding consumer credit, of course, includes two varieties: 1) non-instalment loans (such as single payment loans and charge accounts) which between 1954 and 1955 rose slightly from \$7.6 billion outstanding to \$8.4 billion; and 2) instalment credit (automobiles, heavy appliances), which shot from 1954's \$22.4 billion to last year's \$27.8 billion. Automobile credit accounted for roughly \$3.7 billion of that \$5.4 billion rise (in 1954 auto credit rose only \$55,000,000).

Some marketers, like J. Walter Thompson's Arno Johnson, seem to think that consumer credit can continue to expand safely. Reasons Johnson: the ratio of private debt to gross national product is now 91%, compared with 154% in 1929. Further, the ratio of consumer credit to discretionary income (disposable income minus normal liv-

ing costs of food, shelter, clothing) is now 22%, compared with 31% in 1940. His prediction for 1956: consumer credit will rise to 18% of a disposable income that will reach \$280 billion.

Nonetheless, the Federal Reserve Board continues cautious on credit. Starting last April, it upped the rediscount rate four times (from 1.5% to today's 2.5%), although at its last meeting it did not raise the rate again. Basically, it is worried over continuing easing of credit's already easy terms.

Despite the rediscount moves, however, credit continues to rise. It is not only the highest ever, but is increasing at the fastest rate ever. And, as the accompanying article shows, credit is becoming available in more & more product fields where it was never available before.

large retailers—the long-term revolving charge account, sometimes called a continuous line of credit with time limits of a year or more. Some stores, like Martin's (Brooklyn, N. Y.), are devising a revolving charge account plan with monthly payments geared to the outstanding balance of the account. For example, on an account owing up to \$80, monthly payments might be \$10 each; on an account owing from \$80 to \$100, \$15, etc. Top account limits would depend on the store's evaluation of the customer's ability to pay.

The Allied Stores group (e.g., Stern's, New York City; Jordan-Marsh Co., Boston) last year increased repayment time under revolving credit plans from six to 10 months, sometimes longer. One store reports the number of active accounts on revolving credit jumped 20% in eight months.

➤ The reasoning behind all these credit plans is clear enough. If consumers spend more on automobiles and homes, of course they have to furnish their dwellings, dress better in accord with their elevated social status. Flexible but carefully planned credit systems help consumers meet these needs. And retailers have little doubt they'll mean higher sales.

This year, 57% of 312 stores in the National Retail Dry Goods Assn. say they will put greater emphasis on credit selling (94% already do some sort of credit selling). Ninety-one percent say they'll offer revolving credit.

Nor are the home furnishing manufacturers relying solely on the growing trend among retailers to offer credit arrangements. Carpet manufacturers feel their retail sales can be increased substantially through credit, perhaps as much as 35% to 50% above present levels. Bigelow, after extensive plan-

ning, set up a credit plan for dealers last year. In a generally slumping industry, Bigelow's total sales rose from \$68,000,000 in 1954 to \$82,000,000 last year. The company attributes a good portion of that increase to credit selling. For 1956, virtually every major carpet company will offer some kind of credit plan for dealers. Mohawk reports that at least \$10,000,000 worth of its 1955 carpet sales were on credit.

In St. Louis, three national trade associations—the National Paint, Varnish & Lacquer Assn. (representing manufacturers); the Painting & Decorating Contractors of America and the Retail Paint & Wallpaper Distributors of America — have each contributed \$5,000 to form a new organization called "Decorating Credit Plan," which will advertise and promote credit selling by paint and wallpaper dealers and contractors.

In blossoming suburbia, where do-it-yourself is all but an institution, hardware dealers selling such items as power tools, saws, etc., do a thriving business (sales last year were close to \$3 billion). To compete more effectively with large mail order houses like Sears, Roebuck, especially in farm areas, the National Retail Hardware Assn. urges small dealers to try credit selling. The association, with 23,000 of the nation's 34,000 hardware dealers as members, assists member dealers in setting up credit. About 3,000 dealers have such plans so far, and the association reports 6,500 additional dealers have requested similar assistance. The association thinks more extensive use of credit could boost hardware sales 25% above present levels.

Similarly, the Winchester Western division of Olin Mathieson Chemical Corp. has a credit plan for firearms. The customer pays 10% down, the company pays the dealer in full, handles the financing itself. Started last year, the company signed up 36,000 dealers for the plan in the first five months of operation, figures the number will jump to 45-50,000 this year.

➤ Winchester claims to be the first firm to extend credit selling to firearms. Explains Winchester sales manager J. T. Boone: "The most valuable single thing accomplished by time selling is that it has expanded the future market for both firearms and ammunition by introducing the sport to a host of new people." Previously, he adds, people were discouraged by the need to invest a large amount of cash at the time of purchase (good firearms range from \$75 upwards).

For the past two years, the Eastman Kodak Co. has helped its dealers start and operate time-selling plans (dealers do the financing themselves through

local banks and loan companies). In addition to a promotional kit covering "selling on time," Eastman puts in a plug for time-selling in its national ads. Eastman believes time-selling increases store traffic, thus builds sales and helps meet the competition of today's trend toward more instalment selling.

The point is this, as Robert Gardineer, associate director & secretary of the Credit Research Foundation (part of the National Assn. of Credit Men), puts it: "today a consumer can finance anything." As he does, credit becomes more agreeable to more & more businesses. Adds National Retail Credit Assn. educational director Leonard Berry: "Manufacturers have held an aloof position before, but suddenly instalment credit is respectable."

This month A. W. Zelomek, president of the International Statistical Bureau, told the National Retail Dry Goods Assn. annual convention that outstanding consumer credit may be well below the level needed to guarantee healthy expansion of the nation's economy.

Says Zelomek: "In the context of an expanding economy, instalment outstanding and total consumer debt are lower than they should be rather than higher. Even in the context of an economy that will remain stable at current levels, they are not excessive."

For retailers, says Zelomek, the question is: "How much more can I sell through instalment merchandising not by assuming poor risks, but by increasing instalment sales to customers who are underbought?"

Skeptical of fears that today's credit buying borrows from tomorrow's sales, Zelomek says consumers constantly strive for a better standard of living. If they have the means or potential, he counseled retailers, give them credit.

➤ If proof of the pudding is in the eating, the future looks bright enough. In the first year of operation, Pan American World Airways had 100% repayment under its Go Now, Pay Later plan (with no collateral required). TWA says defaults under its travel credit plan are "quite low" and no accounts have been written off. National Retail Hardware Assn. reports that no member who previously extended credit has had to write off an account since 1938.

Says Arthur Dietz, president of C.I.T. Financial Corp., largest independent sales finance company (mainly autos) in the U.S.: "Consumers have demonstrated time and again their ability to use credit soundly and wisely." Last year, said he, fewer than one in every 100 time-buyers was delinquent in payments at any one time.



Kodak urges credit on dealers

Marlboro's marketers: (l. to r.) account supervisor Owen Smith of Leo Burnett Co.; ad director Roger Greene of Philip Morris, Inc.; Marlboro brand manager Ross Millhiser and account executive Richard Halpin.



Marlboro's next marketing moves

- Beset by early handicaps, it's now fourth in its class.
- But it's betting on smart marketing strategy for better days.
- Its success could mean strategy can compete with big ad money.

THE 1955 cigaret scoreboard is complete and it documents what everyone expected—the startling rise of the filter cigarets. Now at 18.6% of the market compared to 9.9% in 1954, the filters last year scored their sensational gains at the expense of the regulars, and, *for the first time*, of the king sizes.

Business Week figures show Brown & Williamson's venerable Viceroy the leader in total filter sales with 20.1 billion sold last year. But R. J. Reynolds' Winston, which came on the market in 1954 and hit 19.5 billion in 1955, is undoubtedly the leading filter cigaret today based on the current rate of sale. Liggett & Myers' L&M is in

third filter place with 11 billion sales last year.*

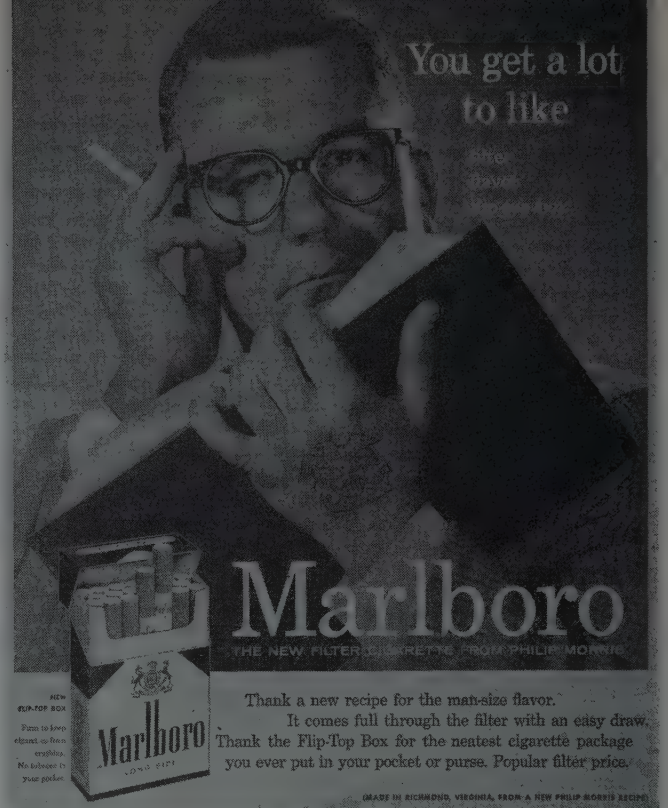
➤ But the 1955 figures still do not reveal the answer to the most significant marketing question in the cigaret business today. Is it possible for a smaller company to win a large share of the market without pouring huge amounts of sales & advertising money into the fight? In short, can smarter strategy reverse a traditional industry trend? Philip Morris with Marlboro, its entry in the popular-priced filter field, is betting on just that—strategy—against big promotional money in its fight for bigger market share.

When the regular-size cigaret was

king, Camel and Lucky Strike and the Chesterfield got on the market early, dominated it thereafter. Later entries, particularly Lorillard's Old Gold and Philip Morris, tried but never seriously threatened that dominance. But the filters have injected a new element into the cigaret picture. Many cigaret men believe that just as filters have 50% of the market in Switzerland and 55% in the Union of South Africa, the new type cigarets will eventually win the major share of market in this country.

Certainly, the public is shifting cigaret brands today as never before. Philip Morris has made up its corporate mind that therein lies its opportunity—perhaps its greatest one to become a major factor in the cigaret business.

*Here are Business Week's figures in billions for 1955's 10 leading cigarets: Camel (77); Lucky Strike (57); Pall Mall (56); regular Chesterfield (34); Viceroy (20.1); Winston (19.5); regular Philip Morris (17); king-size Chesterfield (14); regular Old Gold (12); L&M (11). It was the success of their filter brands that pushed Reynolds' market share up from 25.1% to 25.8% and Brown & Williamson's from 9.4% to 10.5%—the only two tobacco companies to gain in market share.



The famous first Marlboro ad and an equally compelling new one

► Marlboro, thus, went to market only after extensive research — covering everything from the product itself to the copy that plugged it. Says Ross Millhiser, Marlboro's product manager: "It's the first completely pre-tested cigarette to come on the U.S. market." Marlboro's extensive testing also meant that it was the last popular-priced filter to appear (March, 1955), but the time lag between Winston and Marlboro is still only a year.

Philip Morris' research indicated that many people had smoked filters, only to turn away from them because of their lack of flavor. Millhiser thinks there's little problem in making an efficient filter. The problem is to make a filter that does its job and at the same time is easy to draw on and permits the tobacco flavor to come through. Philip Morris obviously thinks Marlboro is the cigarette people say they want (in its efforts to come up with a new cigarette smokers want, the company also tested a non-filter).

Research further indicated that people wanted a different kind of cigarette package, preferably a box to keep tobacco from spilling out. Philip Morris got exclusive rights to machinery to make such a box, then tested it thoroughly. (Marlboro's research is still going on: recently the firm put foil in the box to keep cigarettes fresher.)

► The box, of course, turned out to be the sensation of the industry. One formidable problem facing Marlboro: it loses its exclusive franchise on its box-making machinery this summer, expects to see other cigarettes copy its box

fast. But, ever confident, Millhiser feels that imitation will help Marlboro get those smokers who need assurance of seeing other brands using the same ideas.

In choosing Marlboro as the name for its filter, Philip Morris started with a built-in advertising problem. For 40 years Marlboro had been associated in the public mind with high fashion, and its advertising definitely featured feminine appeal. Although Philip Morris wanted to get all the transference it could from the old Marlboro to the new one, it needed a masculine association since men smoke far more heavily than women (further, women are not averse to buying a cigarette they associate with masculine appeal). In the words of Leo Burnett, head of Marlboro's agency, Marlboro's now famous advertising tries for "virility without vulgarity, quality without snobbery."

The choice of the cowboy for the first ad was hardly haphazard. Company researchers discovered that the two indigenous symbols of American life are the Indian and the cowboy. American Tobacco long ago pre-empted the Indian as a corporate symbol, but the cowboy was still public property. Agencyman Fairfax Cone was so impressed with the cowboy ad (see cut) that he put it on his list of greatest all-time ads.

► While some of the ads appeared in color, Marlboro has made a deliberate decision to use only black & white from now on—for realism, since, it finds, people tend to think of photographs as black & white. The copy approach is

factual and, as usual, is based on research. The ad theme: "You get a lot to like—filter, flavor, flip-top box," says Millhiser, "is all true factual copy and no other brand can say the same thing."

Philip Morris launched Marlboro on the eastern seaboard, then gradually extended distribution to the key metropolitan areas throughout the entire country. Its immediate success was great enough to catch the company without sufficient machinery to make the box, and to force allocation.

Since October, there have been no production problems, but Marlboro's 5.9 billion sales between last March and year's end, though impressive, were not quite so good as Winston had done in a similar period of the preceding year. But, thinks Millhiser, if the cigarette did that well under handicaps, such as allocation and the fact that as the last filter entrant dealers were hardly crying for it, it will do even better this year. Marlboro is already the leading filter in the New York market where, wholesalers report, only Chesterfield and Pall Mall beat it.

► There are, however, clouds on Marlboro's horizon. One is the fact that by summer its box will be available to all comers. Another is what American Tobacco will do—up to now its filter tip Tareyton hasn't gone very far. Not to push for the filter market would inevitably mean the loss of American's 32.9% market share and its first place in the industry. When American makes its move, the filter battle will get rough, test Marlboro's strategy to the utmost.

TEN years ago, tall, stocky, be-mustached James Alter roamed the streets of Johannesburg, South Africa—flat broke. Today, Alter owns a handsome business building in Johannesburg, a thriving wholesale business and a fortune worth the equivalent of 5,000,000 U.S. dollars. How Alter went from rags to riches is an all but incredible marketing success story.

If he were operating in the U.S., Alter would be one of the country's leading drug and patent medicine wholesalers. Yet what he sells—at least by U.S. standards—is weird: Alter is South Africa's only white witch doctor, and he does a booming business by buying & selling such unlikely items as lion fat, giraffe tails, porcupine quills, lizard skins, snake tongues and countless herbs.

➤ Alter's story starts in 1945 when, while walking down Commissioner St. in Johannesburg, he stopped before a native witch doctor. The doctor, dressed in the usual high fur hat and colored bead earrings of his profession, was surrounded by his native patients, dispensing Muti (native for medicine) which was spread out on an old goat skin. The natives, most of them local mine workers, paid handsomely for such items as hair from a giraffe tail, the clawed foot of a parrot or the fly-blown skull of a monkey.

Alter immediately wondered where these native witch doctors—and there seemed to be tens of thousands of them in Johannesburg—got the assortment of items they sold. Collectively, he felt, it should amount to a substantial business; at these prices, he asked himself, wouldn't it be worthwhile to organize the supply along modern business lines?

Since he had little to lose, Alter started out on his new marketing venture. First he did some preliminary market research, compiling a list of more than 100 items the native witch doctors dispensed. When he began to collect the items in order to build up an inventory, he found the natives eager to co-operate, since finding such items as monkey skulls, elephant ears, hyena fat and lizard skins was one of the witch doctors' biggest problems.

During the course of building up a supply, Alter became curious as to what use each item would be put. Here he ran into a stone wall: the witch doctors informed him politely but firmly that if a white man were to know an item's use, it would lose its power to heal natives. So Alter proceeded to build up his stock in trade, without knowing its uses.

➤ From the start, Alter determined that the witch doctors could rely on his merchandise; if he sold something as lion fat, it would be genuine lion fat. Because he insisted on absolute honesty, Alter soon won the confidence and respect of the witch doctors.

Alter organized his wholesale Muti business on modern lines even to packaging. Lion fat, hyena fat, hippopotamus skin, roots, herbs—all were packaged in individual labeled bottles and arranged in neat rows in his little shop. He had a printed list of all the items, with wholesale prices quoted in dozen lots. He encountered a little opposition to the packaging at first, because the witch doctors wanted to handle the items to be sure they were genuine.



James Alter: a guaranteed product, a fair price

Marketing in South Africa . . .

WHITE WITCH DOCTOR of Johannesburg

➤ To combat this attitude, Alter followed modern marketing procedure. He not only guaranteed each item but offered a refund or exchange for any reason. Then, like the man from Cunningham & Walsh, he went out into the field, actually helping the witch doctors sell from their stalls. Soon he came back with an immense number of orders.

His next problem, Alter found, was supply. He peddled his bicycle around the vast native reserve, arranging with white hunters to buy their kills: hippos, elephants, monkeys, snakes. Eventually Alter had buying centers set up throughout South Africa, even to the most remote parts of the jungle and as far north as the equator.

Before long, Alter found himself with one of the fastest expanding businesses in Johannesburg. He was selling Muti throughout Africa, but his major distribution area was the native market (known as Mai Mai) in Johannesburg. No white man, with the exception of Alter, is allowed within its walls; the gates are tightly guarded by native police.

➤ Alter occasionally takes a field trip through Mai Mai to check on his retail outlets. The crowded streets are lined with tiny booths. In one, a grotesque native will be pounding bones and herbs into a fine powder; in another, the witch doctor will be on his hands and knees "rolling the bones" which he reads the same way a gypsy reads tea leaves in a teacup.

Most of the patients have their favorite witch doctors, in whose diagnosis they have utmost faith. Witch doctors, according to Alter, are born salesmen and have little trouble convincing the natives of the potency of their concoctions. Since U.S. doctors have often said that much of today's illness is largely mental, it's understandable why the witch doctors are so successful. When it comes to psychiatry, for example, what native could doubt that lion fat, rubbed regularly into the muscles, will make the user strong and brave.

While touring the Mai Mai, Alter often stops to watch his products in use. At one booth a minor operation (such as using a ram's horn to syringe a native's ear) might attract a large crowd; at another, a witch doctor might be doing a fine job of tattooing a native with one of Alter's porcupine quills.

The most doubtful of Alter's products are herbs for the lovelorn, prosperity powders and potency pills, but Alter feels that where the patient has sufficient faith, who can say that these don't bring some satisfaction? Alter gets inquiries about his products from all over the world, once got a \$10 check from a Brooklyn woman who wanted the proper herbs to rekindle her husband's love!

➤ Today, Alter (or Mr. Muti, as the natives affectionately call him) stands as a symbol of modern marketing ingenuity. His busy seven-story building, called Muti House, houses various businesses besides his own, including the Johannesburg branch of the Hoover Co., which occupies the ground floor.

To what does Alter credit his astounding success? The fact that he undertook a research program to find out what native witch doctors wanted, and the fact that he sells a guaranteed product at a fair price. ■



Dealers like this sort of packaging best; consumers don't agree

Dealers on decanters

■ To find out what those fancy liquor decanters do for liquor sales, Tide queried liquor dealers in the major cities, found this: 1) Christmas selling was brisk, with sales up over the last year as they were during all 1955; 2) the one brand that scored an exceptional rise in sales in many areas was Old Fitzgerald, which came in a decanter you turn into a candlestick holder; 3) dealers found that customers like decanters (though, some warned, to less a degree than in 1954) and prefer them to Christmas-wrapped packages; 4) dealers themselves prefer the Christmas-wrapped packages like those from Hiram Walker (see cut).

There was no agreement on whether brands without special packaging were handicapped since Seagram rushed Christmas-wrapped Seven Crown and VO into many areas shortly before the holidays, leaving no major brand without special packaging of some sort. While dealer after dealer said Seven Crown, the top selling whisky, would sell well regardless, one Miami dealer which didn't get the special packages reported that its Seven Crown sales "dropped dead," and that, although usually on a par, Canadian Club (in Christmas wrap) outsold VO by eight or nine to one. Some retailers' comments:

• **Boston:** Walter Lucey, of the Avenue Liquor Mart (Cambridge), says his customers went most for the Christmas-wrapped packages, that decanters should be Christmas wrapped if distillers stick with them. A. E. Cleveland, of S.S. Pierce's liquor department, reports just the opposite: at his store, decanters sold better than the wrapped packages (best seller: Old Forester).

• **New York:** Ryan's Liquor Shop reports that decanters sold much better than Christmas-wrapped packages. Vic Fields, of Ambassador Liquor, Inc., would like permanent decanters for gift business year-round. R. W. Kapon, of Acker, Merrill & Condit, says that much to his surprise Lord Calvert in a

decanter outsold the usual top Christmas seller in his store, Canadian Club (it was Christmas wrapped). Sherry Wine & Spirits Co. says one customer bought \$1,500 worth of Park & Tilford's "singing lantern" decanters as gifts for his employees. Rather than new packaging, that store would like to see a return to prewar's 32 oz. bottle. R. H. Macy & Co. liquor department says liquor in decanters sold the best.

• **In Philadelphia**, where state stores swap stock back & forth, trends are generally city-wide. The chief one: Old Fitzgerald, which does not normally do especially well, made the biggest single gain in sales, coming close to Old Grand Dad, which always sells well there.

• **In Cleveland**, the manager of one state-owned store said: "I sold out all decanters, but I think the rate of sales was noticeably down this year. The gift-wrapped bottles were hardest to sell—the distillers send them too soon."

• **In Chicago**, Walgreen's liquor buyer Gene Mitenbuler says Old Fitzgerald was the best seller this year: "We took all we could get our hands on." Seagram's Seven Crown in its Christmas package scored "considerable" sales gains. Mitenbuler thinks brands that didn't use a Christmas package of some sort suffered "a little bit."

• **In St. Louis**, S. A. Francis, of Katz Super Drug Stores (six stores), reports that no Christmas packaging stood out this year. Gene Weissman, ad manager of People's-905-Liquor Stores (43 stores), who also didn't get the Christmas packages, says Seagram Seven Crown "fared poorly this Christmas in People's stores," but he attributes this to the downward trend in blends, particularly at Christmas time. "Even if people drink them, they like to give something better." The chain's best sellers: Old Forester and Old Fitzgerald, even though the latter ran out 10 days before Christmas.

• **Minneapolis:** Gene Chapman, of Culbertson's, says the big gainer in his store this year was Old Fitzgerald. So does William Shedlov, owner of Chicago-Franklin's, a high-volume store. He doesn't think, though, that, in general, special packaging helps sales much. Emmet Galagan, of Richfield's municipal liquor store, thinks Old Fitzgerald did well in his store because women came in for more to make candlestick sets. He adds that decanters need to be changed every year: "Old Grand Dad and Old Taylor sold like wildfire a year ago, but they didn't change their decanters much this year and they fell flat." ■

Do decanters

HEL

- Christmas was happy for the liquor business, with sales up.
- Decanters helped sales some, but only unusual ones helped a lot.
- And it's now clear you'd better not use the same decanter twice.
- Another experiment, Christmas wrapping, added little sales oomph.

THE liquor industry had a happy Christmas, but most distillers nonetheless have hangovers right now. The industry had hoped to find the answer once & for all over the holiday season to these two important questions: 1) do decanters boost Christmas sales enough to warrant their extra cost? 2) would Christmas-wrapped regular bottles do just as well?

Most distillers tried decanters this year because they brought in extra Christmas sales for some distillers last year, notably Old Forester. But added up, results this year are hard to come by. That's mainly because it was a good year generally for the business, with sales up again after 1954's slump—and, following the trend, it was a good Christmas. Thus what sent sales up—decanters or prosperity—is a moot point.

➤ Nonetheless, some results are apparent. The most notable is this: in the bonded bourbons, which are high-priced and can best stand the added cost of decanters, Stitzel-Weller's Old Fitzgerald decanter, which serves as a candlestick holder, did an extraordinary sales job. Its success was so great that the distiller ran out of stock well before Christmas.

On the other hand, Old Forester, the standout in 1954, didn't score the gains of that year. Thus, one lesson is clear enough too: decanters work—but they work best when they're extraordinary.

This puts the average distiller squarely up against it—there's no sure way to tell in advance how good a decanter will be. Since the Old Forester experience suggests that a hit decanter one year may not hit the next, success

QUOR SALES?

in the annual Christmas sales battle merely leads to more worry—and more expense.

Further, a Tide survey shows that retailers don't particularly go for decanters because they're hard to handle, don't fit easily on shelves and cause double inventory problems. Obviously, retailers will stock them as long as consumers want them, but they much prefer Christmas wrapped regular such as those Hiram Walker marketed (see box).

Finally, there is the problem of reselling consumers on the regular bottle after Christmas. The Frank L. Wight Distilling Co. recently took a Life ad to show those who received its decanters as gifts what its regular bottles look like.

➤ As for whether decanters will be around in force hereafter, the answer is probably yes. That's primarily because Calvert Distillers' Lord Calvert, a blended whisky, scored an impressive increase last Christmas for a big brand, and the company thinks it's the decanter that did it. In fact, Calvert has decided to bottle Lord Calvert in a decanter year-round, hoping for gift business. Does that mean that Calvert, which tried decanters for the first time last Christmas, likes decanters for their sampling power, or likes them as real sales boosters? Vice-president Walter F. Terry says this much: "We would have had our brains knocked out without them." Industry reports indicate that the sales boost supplied by the decanter for Calvert Reserve, a lower priced but larger selling blend than Lord Calvert, was not nearly so impressive. Thus, while it may be sure about Lord Calvert, Calvert has to decide whether the simpler decanter on Reserve, which kept costs down, also kept sales down.

At Schenley Distillers, the industry's third largest (behind Seagram and National), national sales manager Jack Hornsby says: "We were all sold out of decanters early in the selling season." But Hornsby talks most enthusiastically about the success of the Schenley O.F.C. decanter which served as a cocktail shaker. O.F.C. is a very small seller; Schenley's big whisky is Schenley Reserve (same price range as Cal-

vert Reserve) which Hornsby says did very well with its decanter, but, add people in the trade, only because Schenley offered deals. Hornsby says Schenley won't be in a permanent decanter, fears such a move "would not be possible without increased retailer cooperation."

➤ The major news from Schenley in the way of packaging is this: rumor has it that its research indicated that many people associate Schenley Reserve's black label with skull & crossbones and death. A new label and maybe a new bottle, too, is expected shortly. Such a move by Schenley will doubtlessly open the floodgates for new packaging by the liquor industry. If decanters have taught one lesson it's improved packaging improves business.

Despite the almost solid view that decanters have it over Christmas wrappings, president Ross Corbit of Hiram Walker insists that is not so. Corbit says his wraps did very well, adds that the company will be back with a complete line of them next year. Corbit does admit that "our pre-wraps would have done even better if we had more time to educate the retailer." Reports indicate that many customers turned away from the wraps because they couldn't see through to the bottle.

Corbit insists that pre-wraps are better for a line such as his, almost exclusively blends, lower in price than bonded bourbons. Corbit—and he gets some agreement even from those companies that put decanters on blends—

doesn't believe the blends can stand the price of the decanters. Last year and the year before, Hiram Walker put a decanter on its Deluxe, a straight bourbon, kept it off all others, even its high priced Canadian Club. With pre-wraps, Corbit was able to put his entire line in Christmas dress this year.

➤ Actually, Hiram Walker's pre-wrap strategy may pay real dividends for the company. The packaging machinery is at the distillery ready to be used on any occasion, and Corbit intends to use it to go after the seasonal gift business—e.g., Father's Day.

The most popular whisky of all, Seagram's Seven Crown, also a blend, did not use decanters, did use pre-wraps on a limited basis as a test. Seagram officials are still studying field reports, have not come to any conclusions about what to do about next year's Christmas packaging. But wholesalers indicate the brand did well as usual. Word is that packaging thinking at Seagram right now leans more toward changing the regular bottles than trying a Christmas decanter next year.

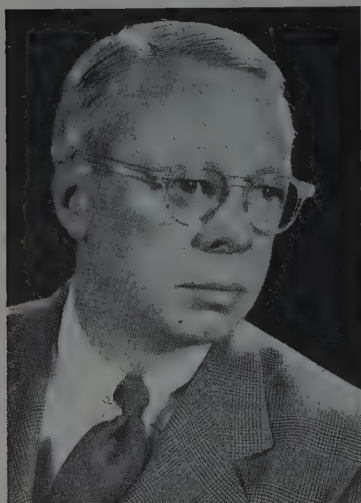
National Distillers, second largest in the country, agrees with the Walker philosophy that decanters are only for expensive bonded bourbons, like Old Grand Dad and Old Taylor. Says National vice-president R. E. Joyce: "The decanters brought us in extra business and we will probably have them again."



The decanter above boosted Lord Calvert sales, while the one at left caused a sellout of Old Fitzgerald.

Wilbur Jones

People will buy major appliances, repair homes



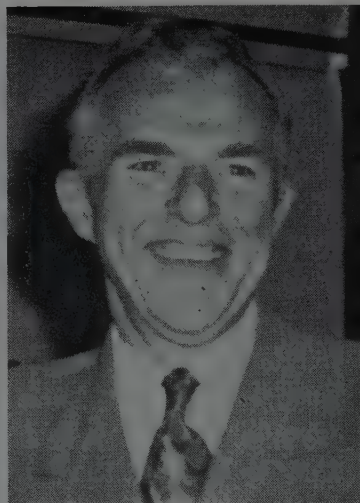
James J. McLaughlin

Pessimism spreads quickly. Every industry feels it



Roy A. Bradt

It's not what people need, it's what they want



W. J. Newman,

There has to be some limit to consumption



If 1956 auto sales should plummet . . .

WILL THERE BE A MAJOR

- Do slumping auto sales mean the end of the boom?
- The marketing executives on the **TIDE Leadership Panel** say no.
- There might be a slight dip in the economy, nothing more.
- Other industries will take up the slack in auto sales.
- Instead of autos, consumers will buy appliances, new homes.

Last fall, sales-happy Detroit marketers were busily making optimistic predictions about the 1956 automobile market. In 1956, they said, auto sales would equal or surpass the almost 8,000,000 cars sold in 1955.

Early this year, however, the same marketers began to temper their estimates somewhat, started backtracking, guessed that 1956 would still be a boom year at 7,000,000 cars but wouldn't reach the 1955 peak.

But what happens if the automobile market dips even further? Will the American economy suffer tremendously — perhaps even lead to a major recession — if automakers manage to sell only, say, 5,000,000 cars?

A substantial majority of the top marketers on the Tide Leadership Panel says no. The general feeling is that nothing disastrous will happen; ours is not a one-industry country, and other industries will take up the slack.

➤ Exactly 65% of Tide's Panel of public relations executives says there will be no serious recession if only

5,000,000 cars are sold. Another 24% feels there will definitely be a serious setback as a result; the remaining 11% has varying opinions.

Most of those who agree there will be no serious recession share the opinion of Herbert M. Baus, Baus & Ross Campaigns partner. Says Baus: "The economy is a 'many-splendored thing' and has other bastions. The government, especially in this election year, will see to it that the slack is taken up elsewhere — in highways, public works, more defense, etc."

"Surplus production capacity could easily be converted to other product manufacture," agrees Blackstone Corp. ad manager James E. Peters. "The money isn't going to remain stagnant," adds Robert L. Moore, Sheraton Corp. of America ad director. "People are spending now and will continue to do so."

➤ The pessimistic 21% doesn't feel that labor and raw materials that go into automobile making can be easily directed into other industrial channels,

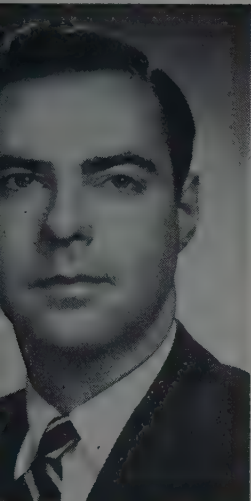
and points out that some layoffs have already occurred in auto factories. Richard Messner, vice-president of Mar-bridge Printing Co., adds that in addition to the "considerable relocation," there will be "changes of plans necessitated in many fields." "Practically every industry will feel the effect (however slight)," says Dormeyer Corp, ad manager James J. McLaughlin. Adds he: "Pessimism spreads quickly."

D. A. Permoda, ad manager of Illinois Tool Works, doesn't think the recession will be serious, but says there would certainly be a "drastic leveling off of our present boom. We must . . . realize" says Permoda, "that rubber, steel & tooling, fabrics and other component industries rely heavily on the automobile for economic security."

Several members of the Panel think the 5,000,000 car year would be the result of a recession, rather than the cause. As Leonard Shaw, publicity manager of Norton Co., puts it: "It seems to me that a recession would be the only reason to drop the automobile market to only 5,000,000 cars. Which comes first—the hen or the egg? In this case I think the recession must come first to result in other conditions."

➤ And if the public only bought 5,000,000 cars, what would happen to the money not spent on the extra 3,000,000? Tide asked its Leadership Panel. Almost three-quarters of the Panel think it will be spent on other

Art Moore
*People are spending and
 continue to do so*



Luttrell Maclin
*People would not have
 the money to spend*



L. R. Cazell
*Appliances, travel, enter-
 tainment will benefit*



W. H. Hunt
*The thirst for better
 living is inherent*



RECESSION?

things, only 5% feels that people will put it into savings, and a meager 2% thinks it will be invested. The other 21% generally believes that people won't have the money to spend if only 5,000,000 cars are sold.

More Panelists feel the money will be used to pay off rising consumer debts than for any other purpose. As one marketer says: "1955 was a year of buying on credit. During 1956, the consumer will concentrate on paying off that debt."

Luttrell Maclin, ad & PR director of the New York investment firm of Paine, Webber, Jackson & Curtis, is one who feels this way. Maclin believes that if people have the money, "they would buy cars. Also, a good part of the purchase price of an automobile is borrowed, so, even now, it does not represent available 'cash'."

➤ If there is spendable income around, the Panel overwhelmingly believes it will be poured into two other major industries: major appliances and new homes. Most industries will benefit to some degree from an auto sales dip, according to the Panel. Here's how the Panel feels each industry would benefit:

- 60% thinks major appliances would benefit.
- 58% feels new homes would get a good share of the money.
- 29% thinks a good bit of income would be spent on travel & entertainment.

- 21% says small appliance businesses would benefit.

- 19% also thinks soft goods makers would be helped.

- 8% thinks people would buy more food.

- 7% feels they would also spend it on extra insurance.

- Another 7% feels they would also spend it on other things, such as home improvement, home furnishings, etc.

Why these investments? Major appliances and new homes are the biggest investments, say Panelists, and now that consumers have their new cars they can concentrate on other luxuries that, through an enriched economy, have almost become necessities. Also, they add, psychological obsolescence is greatest in these fields.

There is much more leisure time, and with "go now, pay later" plans, more people will seek entertainment and travel, say these top marketers. And small appliances and soft goods makers will benefit because these are things people buy next.

Opinions of some Panelists stack up like this:

- **L. R. Cazell, ad & publicity manager, Cory Corp.:** "Major appliances, small appliances, and travel & entertainment will benefit most. Credit on appliances will probably continue to be easy while it will tighten on homes. In addition, people are traveling more & more each year. The combination of these factors could point to greater appliance purchases and more traveling in the new 'life for today' philosophy of the American public."

- **Roy A. Bradt, vice-president, Maytag Co.:** "Travel & entertainment, new homes, major appliances will benefit.

It isn't what people need that makes the economy strong, but what they are made to want. The harder people work, the more relaxation they need (travel & entertainment). Next they want a new home (pride) even if the present one is adequate. Next they want all the things that make home modern, so they can 'show off' to their friends."

- **W. J. Newman, Jr., marketing manager, Waring Products Corp.:** "Soft goods, travel & entertainment, and culture come next with the consumer. The soft goods industry has received less & less of the consumer dollar; a reversal is due. With increasing consumer income and the declining work week, travel & entertainment (and culture) must continue to be a more important area of expenditure. After all, there has to be some limit to the food, clothes and hard goods we can consume."

- **Wilbur C. Jones, advertising manager, the Hoover Co.:** "People will buy major appliances and have their homes repaired. I believe many who might suspect that any recession in automobiles indicated possible depression, might well get their homes repaired and enlarged, and buy new appliances to be ready if the storm broke."

- **W. H. Hunt, sales vice-president, U.S. Plywood Corp.:** "Major appliances, travel & entertainment, and mostly remodeling, repair & house furnishings would be uppermost in the consumer's mind because the thirst for better living is inherent in all people. Most want & need household improvements, although, unfortunately, automobiles usually come first. However, if automobiles sales are down, most money will be used to quench the thirst for better living." ■

The next big name in appliances?

- Here's American-Standard's brand new marketing strategy.
- It already has one of the best organized marketing teams in U.S.
- And its distribution and ad plans are equally unusual—and hot.
- Soon it will invade the lush kitchen appliance market.

THE selling of heating & plumbing equipment has long been pretty uninspired. The products are prosaic, and so is the interest of the average plumber in making a man pant for a new bathtub.

Marketing - minded Joseph Albert Grazier, president of American Radiator & Standard Sanitary Corp., largest manufacturer in the business, hopes to change all that. He is determined to have at least one responsible plumber-retailer in every community in the country—housed in a modern shop where customers can readily see, touch and buy American-Standard products (such as heating & cooling systems, bathrooms, kitchen cabinets and sinks).

The American-Standard division that markets these products—the Plumbing & Heating division—may be nearer Grazier's goal than those not up on the company's recent moves might suspect. For example, last week, the division's top executives appeared on a closed circuit colorcast, beamed by NBC-TV to American-Standard's selling organization. They unveiled plans to use television to sell the U.S. public on everything from the American-Standard name to products so far still top secret even in the division. The division's television plunge is merely a result, though, of the remarkable revolution going on inside one of the nation's largest corporations.

The transformation began two years ago and has not stopped yet. American-Standard began to overflow with marketing ideas immediately after 51-year-old Grazier became president in October, 1953 (a lawyer, he was a corporation secretary, went to work on company organization after becoming a vice-president in 1951).

➤ Clearly, Grazier's arrival in the president's chair marks a turning point at American-Standard. Before Grazier, American - Standard presidents were manufacturing men. Today, the company hopes to be a master marketer as well as a master manufacturer. Grazier's policy is to decentralize the company management to the point where even a retailer stocking the company's products

has initiative and enthusiasm about marketing them.

American-Standard is now organized into 10 divisions, with each division in effect a separate company with its own president.* For example, before Grazier's reorganization, the same company salesmen sold both warm air and radiator heating on the theory that since the company sold both, the customer might as well make up his own mind. Today there is strong competition between these two divisions—Sunbeam

Air Conditioning and Plumbing & Heating.

Grazier then took a further organizational step—one that is becoming increasingly popular among management. He set up nine service divisions, the heads of which report directly to him: marketing & commercial development;

*American-Standard's 33,000 employees work in 46 plants in the U.S., Canada and overseas. Newest division is the Atomic Energy division. Biggest is the Plumbing & Heating division. Others: American Blower division (air-conditioning equipment, fans, unit heaters, fluid drives, dust collectors, centrifugal compressors); Amstan Supply division (jobbers of plumbing, air conditioning, heating, kitchen products, appliances, pipe, valves, fittings, industrial suppliers); Sunbeam Air Conditioning division (warm-air heating equipment, residential and commercial air-conditioning equipment); C. F. Church Mfg. Corp. (toilet seats, plastic wall tile, molded plastic, rubber products); Detroit Controls division (automatic controls for heating, air conditioning, refrigeration, appliances and engines); Kewanee Boiler division (steel boilers); Ross Heat Exchanger division (heat exchangers, surface condensers); Tonawanda Iron division (pig iron). American-Standard's foreign companies sell plumbing fixtures and heating equipment in nine countries; its Canadian companies sell plumbing fixtures, heating equipment, air conditioning equipment and fluid drives.

What American-Standard expects from its FIRST TV PLUNGE



Today's Dave Garroway promotes

■ Newest among the sponsors of NBC-TV's periodic super spectacular, Color Spread, is American-Standard's Plumbing & Heating division, until recently hardly a formidable consumer marketer. As the accompanying article reports, the division hopes to boom its share of market in the lucrative home equipment field i.e., heating & cooling machinery, bathrooms and kitchens (as/or the latter, American-Standard makes sinks and cabinets; Mullins Mfg. with which it hopes to merge sells Youngstown cabinets, sinks & disposers and dishwashers, Youngstown-Tappan built-in stoves).

Interestingly, network television will be the medium through which American-Standard hopes to become a big consumer name in home equipment fast. Roughly one-third of its 1956 ad budget of \$4,000,000 will go into network television, both for participa-

tions on six Color Spreads (three this spring, three next fall) and for regular commercials on Home and Today (see above).

American - Standard's Plumbing & Heating division, which now is probably one of the best organized for consumer marketing in the country, knows precisely what it wants to achieve from its television plunge. Its objectives:

- To make consumers brand-conscious of the American-Standard label: The company's research indicates that most people have never heard the name of the plumbing & heating equipment manufacturer. (American - Standard won't say whether it will push the Youngstown name equally hard.)
- To sell American-Standard quality and reputation: With television, says the division's marketers, "we believe

administrative planning; technical & manufacturing services; control; financial; legal & corporate affairs; personnel administration; public relations; administrative service for the Pittsburgh office (one of Grazier's first actions was to move the firm's executive offices from there to New York City).

The heads of these service divisions have two primary responsibilities: to evaluate and co-ordinate the work of comparable executives in each American-Standard operating division and to plan ahead in their fields to insure the company's continuing growth (total sales which dropped from \$305 million after 1951, hit \$303 million in 1954, should reach \$335 million for 1955).

For example, marketing planning for the entire corporation falls on the shoulders of 55-year-old Don C. Couch, vice-president for marketing & commercial development. Couch determines profitable growth opportunities for each division (working with marketers in the operating divisions) and for the corporation.

An unusual aspect to Couch's job: his counterparts in the operating divisions do not report to him directly. They generally report to their division's sales vice-president or to the division president. (Actually, the marketing manager idea has spread so far only to four American-Standard operating divisions, but Couch is planning to expand it to the rest in the near future.)

➤ Couch states the corporation's new marketing philosophy this way: "Programmed earnings and corporation growth can result only if based on sound creative marketing planning and strategy. This means that manpower as well as money must be invested in product lines and markets that will maintain and enhance the stockholder's equity for the short and long term. It means 'planned selling'."

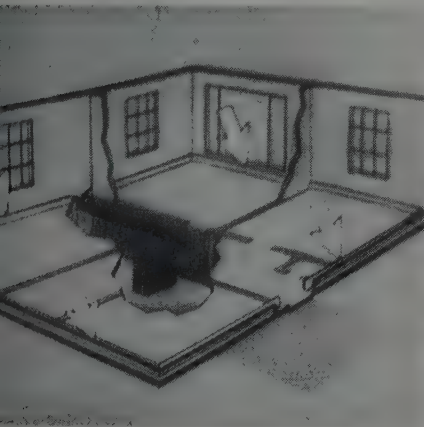
Probably, Grazier's most intriguing marketing move is yet to come. His biggest division, Plumbing & Heating, which accounts for roughly 60% of the firm's \$335 million in 1955 sales,

markets in kitchen products only cabinets and cast-iron sinks (no cooking equipment, dishwasher, disposer nor laundry). Yet American-Standard equipment will be heavily plugged on the company's forthcoming television venture (see box).

Further, Grazier's current, limited kitchen products line is distributed not through department and appliance stores, but through heating & plumbing wholesalers and contractors.

Grazier's plan for broadening both product and distribution: on Friday, January 27, American-Standard's 70,000 stockholders will vote to merge with Mullins Mfg. Co. (Salem, Ohio), which makes & markets steel kitchen cabinets (sink, wall and base), an electric dishwasher and a good waste disposer—all of matching design and sold under the famed label, Youngstown Kitchens (Mullins also sells Youngstown-Tappan built-in ranges & ovens).

Youngstown sells only to distributors which employ both builder and dealer (Continued on page 31)



American-Standard name, then animated film demonstrates American-Standard heating system

we can demonstrate many quality features like the thump of a solid cast iron tub or complicated things like an explanation of a hot water heating system and baseboard radiation."

• To achieve preference for American-Standard's complete line: American-Standard plans to use television to demonstrate 1) its kitchens and bathrooms (mainly on Home); 2) its heating & cooling systems (mainly on Today by tying-in commercials with weather reports). "Television will enable us to support this full line at far less cost than if we prepared separate mass coverage campaigns for each product."

• To influence sales of more profitable products: Television pitches will aim gradually to trade consumers up from low-price products in the lines to higher-priced quality items.

• To launch new products: Television will be the dramatic "kick-off" of national campaigns promoting new American-Standard products (possibly kitchen appliances) this fall ("Just think how many magazines it would take to display these new items").

• To promote modernization of homes: American-Standard plans a month of "before and after" commercials on every room in the house. Commercials will tie in with Home's "editorial" series on home modernization, "The House That Home Built." American-Standard figures 150,000 fewer home starts this year, banks on probable 45% of all housing units that need some repair or remodeling.

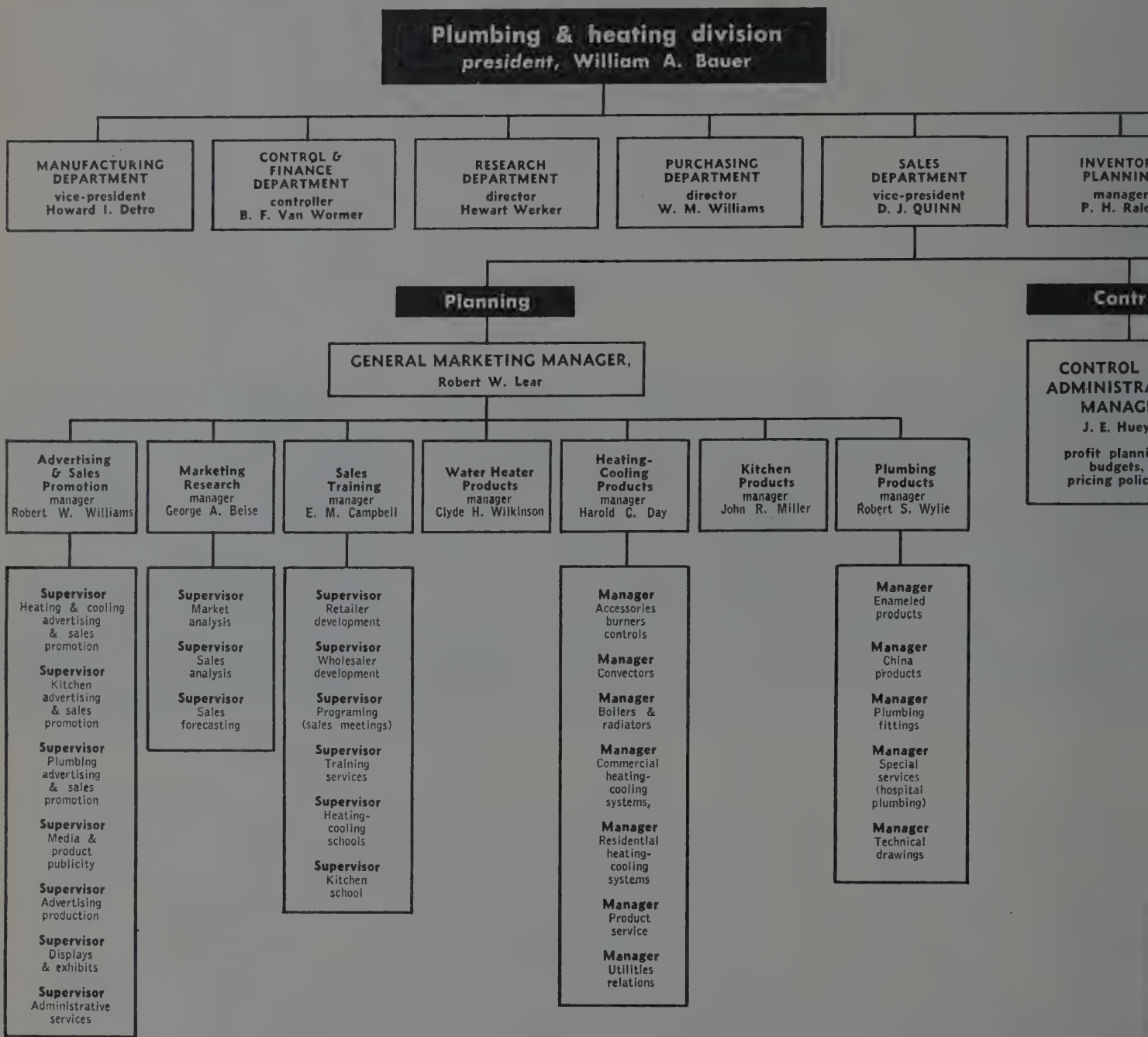
• To influence builders to buy and install American-Standard products: Since building contractors account for

80% of all new home starts, American-Standard hopes television advertising will bring "powerful, indirect pressure" on builders to think in terms of American-Standard products. By plugging a "check list" of quality features for home hunters, American-Standard hopes, too, to "prime" consumers to ask builders for American-Standard products.

• To help build a powerful distributor and retail organization: Arrangement has been made with NBC stations to supply local cut-in service on Today and Home to permit dealer tie-ins with these shows (slides can be projected by the local station during the last 11 seconds of a network commercial). Further, American-Standard expects its 90-second participations on NBC-TV's Color Spread "to jolt and excite" its dealers and salesmen. ■

MARKETING IN AMERICAN-STANDARD

Plumbing & Heating Division



(Continued from page 29)

salesmen (all National Homes' 1956 prefabricated units, incidentally, are equipped with Youngstown Kitchens). Further, Youngstown employs a 65-man merchandising group just to train its 76 distributors and 10,000 dealers. Thus by month's end, American-Standard will have a virtual full kitchen line, plus builder and retail as well as distribution for it.

► The Youngstown merger suggests that Grazier is at least eyeing today's latest appliance trend: the rise of package kitchens—that is, kitchens designed to be used (and sold) as a unit (Tide—Dec. 17, 1955).

Currently, the appliance business' four behemoths make & market such package kitchens: General Electric, GE's Hotpoint division, General Motors' Frigidaire division, and Westinghouse Electric Corp. These firms launched their package kitchens through distributors to builders, now hope to open retail sales through department and appliance stores. Each, however, has yet to crack the installation and servicing bottleneck at either distribution level.

Obviously, American-Standard's heating & plumbing contractors could, if trained, turn into a natural outlet for package kitchens—an outlet today's appliance giants do not particularly cultivate except for air-conditioning business, and an outlet that would probably eliminate the servicing bottleneck. In short, while GE and its colleagues hope to make plumbers out of retailers, American-Standard hopes to do just the opposite — make retailers out of plumbers.

► With builder, retailer and perhaps the key contractor distribution bases covered, American-Standard has yet to say whether its new Youngstown Kitchens division will eventually take over Plumbing & Heating's kitchen goods (or vice versa), or whether both will compete with each other. (Such competition is not unusual for the Plumbing & Heating division: its cast-iron boilers compete with the Kewanee division's steel boilers; its Remotaire heating & cooling systems fight it out with the American Blower's Dynaflo systems and its hot water heating system competes with products of the Air-Conditioning division.

While American-Standard marketers are mum on the subject until after stockholders vote on the Mullins merger, doubtlessly Plumbing & Heating's kitchen line and Youngstown's kitchen line will "merge" in some way for distribution and marketing purposes, using either the American-Standard or Youngstown brand name or a combination of both.

► The net effect, of course, would make American-Standard the newest and one of the biggest names in the appliance business (especially if the company eventually acquires a line of ranges & ovens and laundry equipment).

If one thing is certain about American-Standard's future, it is that the company, as never before, is geared to sell. At American-Standard, divisions are autonomous and in turn their organization is also decentralized—indeed to the point where decisions about a local market situation are made by men marketing in that area.

Nowhere is this decentralization more apparent than in American-Standard's important Plumbing & Heating division. It is out to make American-Standard home equipment well known and wanted in the consumer market. The way it plans to do that, and especially how it is now organized for the big marketing job, is a model both for Youngstown and other marketers.

Plumbing & Heating sells some 96 product lines (10,000 separate products) from heating & cooling systems to cast-iron sinks. Roughly 90% of these products are sold to & through heating & plumbing contractors. One of Plumbing & Heating division president William A. Bauer's prime marketing goals is to turn the division's distributors (e.g., contractors) into aggressive marketers themselves.

► Bauer believes that the way to achieve that is by "selective distribution," which means that wholesalers receiving bathroom fixtures may not necessarily earn the heating line or the division's water heaters. Bauer hopes that eventually each product in each area will be distributed by the wholesaler best equipped to handle it. The wholesaler, further, must deliver certain stated services. In fact, the division leans toward detailed written contracts, particularly for its kitchen products.

Distribution of kitchen cabinets (except sink cabinets) follows a special routine—one which in the future may be followed by other American-Standard lines. Some 70 distribution districts have been staked out, with one or more distributors in each (for a total of about 150). They will stock only the kitchen products, sell them to contractors, who to Bauer are the key in building sales (his goal, incidentally, is a 30% division sales increase by 1960). This special routine for kitchens again suggests that American-Standard has big sales ideas for that line (any wholesaler of heating equipment, bathroom, etc., may stock sink-cabinet combinations).

► Of the eight departments under Plumbing & Heating president Bauer, the sales department is the key for put-





General marketing manager Robert W. Lear (left) and his seven-man staff*

ting across the division's new marketing approach. Head of the sales department is vice-president Don J. Quinn, who has his department divided, like Gaul, into three parts (see chart). They are:

- **Planning:** Marketing plans are the province of general marketing manager Robert W. Lear. His 139-man unit works out complete marketing programs both for existing products and for new ones that American-Standard plans to launch.

- **Execution:** General sales manager Lincoln Pierce's unit carries through the programs Lear's group works out. Pierce runs 12 district sales offices, fashioned to fit decentralized management. Each district office is a replica of the division's sales headquarters, has a separate marketing organization autonomous in such matters as pricing, distribution channels, appointment of wholesaler, advertising allowances for the trade, etc. Some 400 territory salesmen call on roughly 900 - 1,000 distributors.

- **Control:** John Huey, manager of control and administration, runs what might be called "checks & balances" department. His men study whether the division can handle profitably both various marketing programs and various orders—say for installing plumbing & heating equipment in a hospital or ship.

➤ The creative force behind the division's marketing goals is the unit under marketing plansman Robert Lear. Probably, it is one of the best organized marketing groups in business today.

Lear's immediate seven-man staff is out to inject life into the once prosaic business of selling bathrooms, heating

& cooling systems and kitchen sinks. Lear, Colorado-born and a Harvard Business School graduate, has divided the division's 96 products among four product line managers. Thus marketing programs for water heaters is the responsibility of Clyde H. Wilkinson (formerly of Bryant Heater), kitchen products is under John R. Miller (formerly of American Kitchens), heating & cooling systems is under Harold C. Day and plumbing products under Robert S. Wylie (both American-Standard veterans).

Right now, Day and Wylie have the largest staffs, 25 each (mainly because up to now heating & cooling systems and plumbing products have been the division's major sellers). Day and Wylie, with many products, have individual product managers under them (e.g., a manager for plumbing fittings). Water heater products manager Wilkinson, with a staff of four, is building his line's sales, as is kitchen products manager Miller, who now has a staff of five.

Each of 38-year-old Lear's four product line managers, besides marketing existing products, helps in the development of new products, their pricing and distribution and their profit-making potential, as well as in their marketing.

Lear is the man who represents the sales department on the division's Product Development Committee (which also includes a representative from the division's manufacturing and research departments). This committee, meeting once a month, maps general plans to launch new or modified products for the division. If a new or modified product is decided upon, the committee

turns the idea over to a special project team assigned to working out the technical details (each project team for each idea has representatives from the sales, manufacturing and research departments). When the special project team completes its technical job and the new or modified product has approval all the way up to division president Bauer, Lear's staff plans how to market it.

➤ With Lear as the co-ordinator, the four product line managers work with the three other members of Lear's seven-man staff: Robert Williams, advertising & sales promotion manager; George A. Beise, marketing research manager; E. M. Campbell, sales training manager. Those men may work as a team or individually with one or more of Lear's four product line managers. Basically they function this way:

- **Advertising & sales promotion;** Manager Bob Williams (hired away from General Electric) maps out the division's ad strategy with the division's agency, BBDO. The biggest effort so far of his 50-man staff (which will move from Pittsburgh to Manhattan May 1) is the Plumbing & Heating division's television plunge (see box). In Williams' office are three product supervisors (for heating & cooling products, plumbing products and kitchen products) who work with their counterparts among Lear's four product line managers. They also work actively within the field where there are advertising & sales pro-

*Left to right: Managers E. M. Campbell, sales training; George A. Beise, marketing research; Robert S. Wylie, plumbing products; John R. Miller, kitchen products; Robert W. Williams, advertising & sales promotion; Clyde H. Wilkinson, water heaters; Harold C. Day, heating & cooling products.

motion representatives in each of the division's 12 sales districts. When the division makes its television debut, for example, all sorts of distributor and dealer promotion kits will go to the ad and promotion unit's field representatives. It was Lear, Williams, BBDO account supervisor Horace Curtis and account executive Art Workman who sold the division's management on the use of television.

• **Marketing research:** The marketing plans worked out by Lear's staffers are based on forecasts prepared by a 15-man staff under manager George A. Beise (formerly a market researcher of Avco's Crosley division). Beise prepares monthly, quarterly, yearly and five-year forecasts for each of the 96 product lines, gets forecasts, in turn, from a field market analyst in each of the division's 12 district sales offices. These market analysts act as listening posts during the development of a product or marketing program. They interview architects, builders, contractors, wholesalers and consumers, and collect the opinions of the division's experienced salesmen. They size up their markets, report the effect of local competition, recommend courses of action. These market analysts also establish sales quotas by wholesale trading area, by individual markets and by salesmen, keeping their district office managers advised as to quota performance. Finally, no new product goes on the engineering research department's agenda without a market study. Lear and Beise use the field market analysts as a two-way street for the flow of accurate market data to & from the field.

• **Sales training:** Manager E. M. Campbell, formerly of Jam Handy, runs one of American-Standard president Grazier's pet projects: a retail development program to turn heating & plumbing contractors into salesmen. "I know," says Grazier, "of no more important feature of selling than that of retailer development." Campbell's 15-man staff has worked out such a program, which is currently in the hands of 25 field retailing representatives. These representatives work closely with carefully selected contractors, hope to develop them into more effective marketers. One day those contractors may operate the modern shops president Grazier envisions, where people can readily see, touch and buy American-Standard's home equipment.

Campbell's people have such courses for wholesalers, too. Sametime, Campbell's staff runs technical schools for contractors. And the group trains new salesmen for the division, occasionally gives refresher courses to the division's 400 salesmen in the field.

SELLING TO INDUSTRY

By John Sasso

®

Operation bootstrap

The standard complaint of many an industrial advertising manager is that he lacks recognition in his own company. Hence, at monthly or annual meetings, this perennial subject always turns up. It came up a few weeks ago at a clinic sponsored by the Industrial Advertising Assn. of New York; some possible solutions were proposed.

The basic problem seems to revolve around internal communications. Few advertising managers make the extra effort necessary to keep all important segments of management informed on what advertising is doing and why it is worthwhile. Additionally, many advertising managers don't even try to show other departments how to get more mileage out of the advertising the company does.

For advertising to be effective, complete co-ordination with company planning, sales, research, manufacturing, and production is necessary. These very same complaining ad managers would be the first to admit this obvious fact, but many times the last to do something about it.

When management arbitrarily slashes a budget that ad manager, account executive, and media man have spent many weeks developing, the fault doesn't always rest with the boss.

Editors are human

Many a time you'll hear an executive berate a newspaper business editor, or an industrial editor, because "he didn't use Mr. Gotrock's picture, when Gotrock was made president." That's not the editor's fault, nor the agency's fault; it's the company's fault most of the time. How can you expect any editor to react favorably if: 1) he doesn't know about your company and its industry importance; 2) he's never told about company progress or thinking; 3) no regular efforts are made to keep him informed on both good and bad news about the company; or 4) the door is slammed in his face when he seeks information?

Better make up your mind. If

you insist on being secretive, expect editors to give your news a special position — in the wastebasket.

Squabbling in print

There's an old saying that nobody ever won an argument or a war. A glance at recent materials advertising will convince you that many a materials maker ignores the truism of that old saying in his anxiety to prove—in print at least—that his material is better than others. The inevitable result is to alienate customers and prospects as well as ultimate product users taken in by irresponsible advertising claims.

Phrases like "lightest in weight," "will not corrode," "lowest in cost" mean nothing unless they are set in proper perspective with the product the material is to be used in, and unless they are accurately phrased to reflect actual test data. Sounds elemental, doesn't it—but take a look at some of the metal ads these days.

The worst offenses seem to occur in materials ads appearing in consumer publications. The idea is to "pre-sell" the ultimate user, I suppose, but why try to fool him with double talk and claims that would be difficult to prove even with rigid tests?

Everybody knows that each material competes with another in many products. Everybody with any sense knows that every material has certain advantages and certain drawbacks. The job of the design engineer is to weigh and balance these in the light of product performance and to "design-around" the drawbacks if possible. But you'll never get him to specify your material on the basis of unsupported copywriter claims, which when it comes to final evaluation, the design engineer has no real reason to believe.

Purpose of this sermon is to ask materials advertisers two simple questions: Wouldn't your ads carry heavier sales impact if they were positive instead of crudely competitive, and if they contained honest data on the material's pluses and minuses? Finally, is it too much to assume that the reader of advertising is intelligently seeking facts, not hyperbole and venom?



HOW BIG IS SUBURBIA?

■ U.S. population is on the move, and marketers, for their own good, had better keep an eye on where it's going. A recent report by Howard G. Brunsman, chief of the Census Bureau's Population & Housing division, documents the astonishing mobility of the U.S. consumer and points up the moral that the marketer with a static or rigid marketing strategy may wake up one morning to find that his market has moved out from under him. Sametime, opportunities for selling products to families setting up new homes are enormous.

Such dangers—and such opportunities—are growing by leaps & bounds—or in direct proportion to a rapidly expanding population. The total U.S. population now exceeds 166 million, a 10% increase since 1950. The Census Bureau predicts these staggering totals for the next 20 years: by 1965, a minimum of 186 million people; by 1975, anywhere from 207 million to 228 million people. There'll be a tremendous increase in children and teen-agers, a continuing decline in some of the age groups in the principal working years, a continuing increase in those over 65 years of age.

On the key issue of where today's population lives, here are Brunsman's figures:

- In the last five years, population of the country's 168 standard metropolitan areas increased 13% (11,500,000) while the rural areas outside the standard ones increased only 0.5% (300,000).
- But central cities within standard metropolitan areas accounted for only around 2,000,000 of the total increase, or a rise of 4% in five years, while the suburbs of these cities showed an increase of 9,600,000, or nearly 28%.
- Conversely, farm population (at a rough estimate) has declined about 3,000,000 since 1950.
- Cities are growing fastest in Florida, the western south and the far west. Generally speaking, the most rapid growth has occurred in resort areas, in smaller cities in the west and south, especially those with military or naval installations, and in industrial centers specializing in aircraft and other military production. Least rapid growth rates are found in some of

the smaller industrial centers, especially in the older eastern mining and textile areas.

To document the amazing mobility of U.S. consumers, Brunsman cites these figures:

- From April, 1949, to April, 1950, there was a gross movement of nearly 2,000,000 people among various regions (though because of migration there was a net increase of less than 200,000 in those regions that gained at all). Sametime, 8,250,000 people changed counties, 25,000,000 changed living quarters. The important point is that an area's character might change, even though the numerical total doesn't.

- The mobility of the nation's population has increased in the postwar period. As of 1950, nearly one-third of the population of any state was born outside of that state.

- Not all kinds of people move at the same rate. In California, for example, nearly 40% of the 1950 population in the 20-34 age group came to the state from outside. Surprisingly, only 14% of the 65-and-over group were migrants to the state.

- Young heads of families show a high mobility (one in seven change county residence in a year).

- Since children move with their parents, mobility is highest also for children under five; the rate declines with the age of the child, confirming the impression that families with pre-school age children move often to provide better schools and environments for their children. Once settled, though, they tend to stay put until the children have completed their schooling. Once out of school, 18 and 19-year-olds are on the move again.

- Migration increases with education—from one in 30 for people with less than five years of elementary school, to one in 11 for college graduates.

- Following the education figures, men with high incomes show a relatively high migration rate. However, even higher rates exist among people with the very lowest incomes (under \$1,000). ■



With no city office, Edwards & Hanly

SELLING

- The brokerage firm has jumped volume by 700% in five years.
- It conquers suburbia with strategy planned for middle incomers.
- The idea is first to interest the suburbanite in investments.
- Then Edwards & Hanly trades him up as his income increases.

Blossoming suburbia, where the median family income is \$5,100, compared with \$3,600 for cities and \$2,500 for the rest of the U.S. Suburbia, which since 1950 has grown 28% in population (see box), is an obvious new market for many companies. Some 80% of Robert Hall clothing stores, for example, is in suburban areas. Another interested industry: brokerage houses, for which perhaps no market is better tailored. In Clayton (Mo.), outside St. Louis, four brokerage firms set up branch offices just in the last year, reported that business is good.

Most interesting broker interest in suburbia, however, is Edwards & Hanly, a New York Stock Exchange mem-



Edwards & Hanly office (left):
it's designed to look inviting,
not forbidding.

**The Broker's services range from
club speakers to classes
on investing (right).**

up the company's business rather than
their own.

➤ Probably the more important part of
Edwards & Hanly's marketing strategy,
however, is how it develops first a
customer, then a steady client. The
firm has a plainly aggressive pro-
gram which includes:

- Investment courses open to the
public and free of charge. Sample
courses: "Attaining your objectives
through investment and speculation";
"What factors are now influencing
security prices?"
- Special lectures by securities analysts,
stock specialists, business executives
and members of Edwards & Hanly.
- Providing speakers for luncheon
meetings of various clubs, such as
service and religious groups.
- Forming home study groups to
supplement lecture courses (a tactic
especially appealing to women).
- Monthly information on business
conditions, periodic special studies of
selected companies and industries.

Founded almost by mistake, Edwards
& Hanly came into being when Herbert
G. Edwards and Mortimer Hanly, co-
managers of the Hempstead office of
another brokerage firm, became dissat-
isfied with that arrangement. Edwards
went to New York to see if he could
represent another firm. That firm mis-
understood, thought Edwards wanted
to set up his own company, use the
city firm's facilities to clear its Ex-
change transaction. Today, Edwards
& Hanly see only expansion ahead.

Currently, the company is considering
new offices in large shopping centers
planned for Long Island, particularly
the Roosevelt Field project (where R.
H. Macy & Co. also plans a store) and
Valley Stream (where Gimbels will
have one).

Generally, the brokerage firm picks
locations in established business areas
of suburbs, will consider new shopping
centers only if they're large enough to
avoid the transient in-out atmosphere
of a supermarket. The customer, com-
ments one Edwards & Hanly salesman,
must be thinking at a leisurely pace.

Hanly succeeds by . . .

STOCKS to suburbia

ber, which has no office in the city,
does business mainly in Long Island's
fast growing Nassau and Suffolk Coun-
ties. Established in Hempstead in 1950,
a year it took in \$100,000 in commis-
sions, the firm now has offices in Bay
Shore, Huntington, Valley Stream and
Queen's County's Jackson Heights. Last
year, claims partner Edward A. Talbot,
commissions rocketed to \$750,000. He
says the firm has 10,000 accounts,
mainly people in the \$4,500-\$7,000 in-
come group, opens 400 new accounts
each month.

➤ Behind Edwards & Hanly's urge for
suburbia is the belief that stocks, bonds
and the like can be sold there in
volume. And as income increases, so
will the size of the investment (a normal
first purchase is around \$500). Thus
the key to Edwards & Hanly's market-
ing strategy is to aim not for a customer
but for a regular client.

The firm usually advises purchases
of some mutual fund shares first as
base for a portfolio (mutual fund pur-
chases for 1955, incidentally, totaled
\$1.2 billion, compared with \$862.8 mil-
lion in 1954). As investors become
more experienced, they're encouraged
to purchase shares of selected high-
grade securities (currently, chemical
firms, motors, electronics, oils and some
atomic energy firms).

The biggest stumbling block to sales,

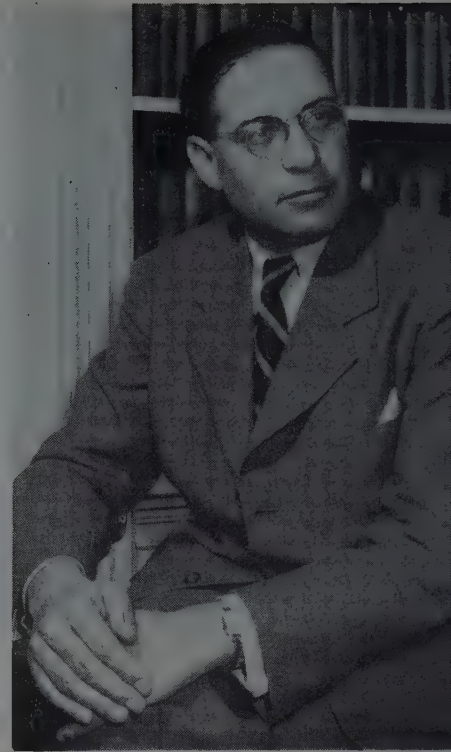
finds Edwards & Hanly, is getting
clients to accept the calculated risk in-
volved in securities buying. Thus, the
company's marketing efforts must be
two-pronged. First, it must lure the
would-be investor into its office. Sec-
ond, it must educate him on securities
buying.

Unlike securities dealers generally,
Edwards & Hanly uses virtually all
media from radio spots and a daily
afternoon stock market report to bus
posters, timetables, classified directo-
ries, matchbooks and direct mail (to
which, claims Talbot, the firm has re-
ceived 100,000 replies). The company's
ad budget is now around \$70,000—up
from \$12,000 two years ago.

Edwards & Hanly's facilities are
made known to new community arrivals,
thanks to the now famous Welcome
Wagon. Personal calls follow up direct
mail returns (the company points out
that while most sales are still closed in
the firm's office, an increasing amount
of business is done in homes). Offices
are open at least three nights a week,
plus Saturday mornings. The offices
themselves avoid the forbidding atmos-
phere often associated with Wall St.,
are usually identified by a neon sign.
All officers and customers men sit at
open desks, available to all comers.
Salesmen work on straight salary plus
bonus, rather than on commission as in
Wall St., thus strive as a team to build

Peter Drucker discusses . . .

What AUTOMATION Means to MARKETING



- Automation ups production; marketing must boost demand.
- Therefore, marketing must absorb responsibility of automation.
- To do this, we must revamp our entire market structure.

Automation in the long run will have its greatest impact, not on production but on marketing. Consequently, manufacturers must "automate" their marketing in terms of new markets, new distribution channels and new pricing concepts.

This, in essence, was the message management consultant & New York University professor Peter Drucker had for leading marketers at the American Marketing Assn. meeting a couple of weeks ago.

Drucker's point was this: with the increase in population and the rapid rise of automated production, output will be more than doubled in the next 20 years. It will be up to marketers, says Drucker, to create new markets for this production. "It is the job of a marketing man not to sell whatever the factory manufactures, but to tell the factory what to turn out, what the customer will buy at a profit."

And, Drucker points out, although the growth of population will be rapid during these next 20 years, the working force will remain fairly static. "Everybody who is going to be in [the working population for the next 20 years] is already born, and we know that the population of the working age is going to remain practically unchanged." In

industry this is not a critical problem, for, as Drucker says, "hands can be replaced by machines." But what is to happen to the marketing force, where "resources are brains and intelligence?"

➤ To automate marketing does not necessarily mean the installation of "gadgets" in the various marketing functions. In fact, says Drucker, "I have learned that if you really do a good job [in clerical marketing jobs], you eliminate the need for a computer, because you simplify to the point where you don't have those 5,000,000 variables which only a computer can handle." Rather than a push-button affair, automated marketing is a concept, says Drucker, based on maximizing human efficiency.

This lack of maximum efficiency manifests itself most obviously in the distribution function, according to Drucker. Our present distribution system is beginning to crumble at the edges. As an example, he cites the franchised automobile dealer, who is losing out to the large volume seller. "The automobile dealer is no longer needed to sell cars," he says, even though, on his way out, he is putting up a mighty stiff fight. (Tide—January 14). Drucker also points to the fran-

chised durable consumer goods dealer, who is losing out to the more efficient discount house.

➤ Drucker chides marketers for having created a mass homogeneous market, then not living up to it with an adequate marketing structure. "The market today" he says, "is the result of a very great marketing achievement . . . [now] we must learn to market for the mass-purchasing, middle-class economy. Our [present] views are largely those of very limited class markets, highly differentiated . . . We will have to learn to get the productivity in marketing which a mass market demands, and get the costs of distribution down to where they can support a mass market."

It's not the cost of distribution that Drucker feels is so terribly high, but rather that we are paying too much for things which are not productive. Retail selling, he notes, points up this basic lack of productivity; selling today, Drucker maintains, is 80% non-sales work.

Drucker sees two trends as a result of this lack of productivity in retail selling, each toward an opposite end. One is a trend toward removing from the sales person's jurisdiction all non-selling chores—the elimination of all on-the-spot paper work (as in today's supermarkets). The other is a trend toward eliminating all face-to-face selling, to make all personal contact only a matter of order-taking, which can, if

necessary, be highly mechanized (mail order, discount house). In this case, selling must be done differently, through the creation of markets, creation of the desire to buy. This, of course, brings in pre-selling, with added emphasis on advertising.

► In other words, what Drucker is saying is that marketing is becoming the "critical area of business management." It has always been assumed that fluctuations in the economy can be accommodated by similar short-term fluctuations in production output. This is now less true than ever. In automated production, output must be rigid for a given time period in order for the manufacturer's investment to be profitable.

Therefore, the critical spot is in marketing. Says Drucker: "The ability to automate production . . . depends not on our technical knowledge, but on our ability to find, educate, create, maintain expanding markets."

Marketing must set the pace for production, not vice versa. "It is more important" he says, "that we realize the basic problem is what automation in marketing will mean to manufacturing, not what automation in manufacturing will mean to marketing."

To accomplish this, Drucker has a strong suspicion that we will have to change our complete frame of reference to adopt a new marketing structure, keeping an eye on mass marketing with a high degree of predictability and stability.

"We may have to shift the entire marketing structure, the entire design, the entire customer appeal, the entire engineering and pricing, of a major appliance, for instance, to a rental market, or to a market where perhaps we could sell an appliance with the definite promise that five years from the day it is sold it will collapse and be totally gone."

► In effect, Drucker maintains we have reached an economy which is a mass distribution economy, rather than a mass production economy. Mass distribution now determines the potential of the economy, its standards and its growth.

Perhaps the most tantalizing thing about his speech is that Drucker does not attempt to resolve for marketers what they must do; he poses the problem, indicates what they must do, and asks them to resolve how to do it.

And the major marketing job lies directly ahead. This is the job of "finding conceptions, of finding measurements, and of developing new marketing systems, new distributive channels, a pricing theory that is adequate, and the ability to manage a business rationally by having a rational image of . . . the market, both quantitatively and qualitatively."

the WOMAN'S VIEWPOINT

By Dorothy Diamond

®

Advice on selling home appliances

Before designs for ranges, refrigerators and other home appliances are approved at the Norge Division of Borg-Warner, they are subjected to the candid criticisms of a woman. As home service director for the company, Jessie Cartwright has fought long and vigorously against ugly lines and too much gingerbread. Giving housewives credit for being intelligent consumers, she claims that they judge an appliance by these criteria: 1) is it beautiful? 2) how simple is it to operate and take care of? and 3) how well does it perform?

Advertising, in her opinion, should steer clear of both the historical and highly technical approaches. Her own philosophy is summed up in this slogan:

"Less how the product came to be—

More what the damn thing does for me."

Junior cooks trained in use of can opener

As a result of the spate of juvenile cookbooks now being published, I suspect that the future generation of housewives will be even more addicted to short-cut cookery than the present one. All of the manuals designed for young chefs advocate that considerable time in the kitchen be spent opening cans, jars and bottles. Skill with a can opener is evidently more important than skill with an egg beater.

In this new and rapidly expanding orbit of the publishing world, one of the most ambitious ventures is the Better Homes & Gardens Junior Cookbook. A bonanza to food processors, it leans heavily upon pre-cooked, pre-assembled and ready-to-eat items. Biscuits, for instance, come from a mix. Pancakes do too. Typical cookies are concocted from marshmallows and cereals, while a recipe for French fried potatoes blithely begins with a package of the frozen kind. Of course, young chefs may eventually become acquainted with such old-fashioned operations as the

peeling of potatoes. In the meantime, important habits and attitudes are being formed.

To get an appraisal of the BH&G cookbook from a reader of appropriate age, I loaned my copy to a nine-year-old girl. She reported that the directions are not as clear as she would like, the recipes she tried were too difficult for her to complete unaided, and the main dishes (chiefly of the hot dog, canned fish and hamburger school of cookery) are lacking in variety. Features she commended are: the lavish use of colored photographs of the finished dishes; the list of necessary equipment and ingredients accompanying each recipe; and (best of all) the step-by-step diagrams for performing each maneuver.



Pros and cons

Congratulations to General Mills for the perforated strip-opener which makes it easier to pierce the top of the much-maligned cereal carton. However, folding the inner liner so as to insure the freshness of the contents is still extremely difficult. Now that a long-needed restyling has been applied to the exterior, let's hope that the inner seal can also be improved.

One of the most exasperating of everyday products is the lead provided in automatic pencils. Is it possible to produce a less brittle variety — one that can withstand even ordinary writing pressure?

Dental floss is another less than satisfactory purchase. Many of us would welcome a brand that does not tangle in hopeless fashion before the end is reached.

A young woman has reported to me her disappointment at finding that the blanket binding kits sold in the five & dime contain only solid-colored materials. Why not apply a little imagination and produce bindings in gay plaids and polka dots which would rejuvenate appearance as well as wearability?

Since adolescents are likely to resent advice from their elders, I think Good Housekeeping did an excellent job with its booklet on "How to Look Your Teen-Age Best." The suggestions on beauty and clothes are sensible and offered in friendly fashion.

Agriculture Secretary Benson (left) and Senate Agriculture Committee chairman Ellender: One of them is about to appoint a marketer for those surpluses.



Soil bank: answer to the surplus?

- Here's the plan to help the economy's No. 1 soft spot.
- The question is whether it will help farmers quickly enough.
- One hope: Benson's plan to hire a marketer for surpluses.

Surpluses, more than any one factor, are the main reason for the decline in the farmer's prices and in his income. Barring calamity, these surpluses will continue to pile up, unless the government can adequately control them. As they rise, farm income (already 34% off 1951's high) will dip. For demand to catch up with productivity seems years away—and by then productivity could be even more fabulous.

➤ Thus, the crucial question about President Eisenhower's new farm program is this: can it help curb surpluses and can it curb them fast enough to prevent a further pinching of the farmer's pocketbook? No one doubts the President's avowal that the farmer needs more help, but controversy is rising about the effectiveness of his program.

Eisenhower's soil bank proposal—the key plank in his 10-point farm program—illustrates the basic question about the program. There are two parts to that proposal (which, of course, presupposes flexible parity):

- An effort to use surpluses to reduce surpluses, the plan proposes an emergency acreage reserve program. For

further reductions in the acres already allotted to corn, wheat, cotton and rice under the current Federal control program, farmers will be paid in certificates negotiable for either cash or a specified amount of Government-held surpluses. Thus, if price of the crop he cut goes up, the farmer can obtain the crop from Government surplus, sell it on the market.

- A long-range conservation reserve program, under which farmers would be paid for voluntarily retiring surplus-producing acres and shifting them to forage, grass and water storage facilities.

➤ The basic question is whether the program can be effective fast enough. The President proposed \$350 million for the soil bank this year, plus \$1 billion over the next three years. The Democrats, however, say that isn't enough to power the plan. They want \$750 million poured into the soil bank this year and, like Eisenhower, \$250 million put into the long-range conservation program (the conservation program pays farmers for undertaking soil and water-saving practices such as

contour plowing, drainage, terracing and the use of fertilizers).

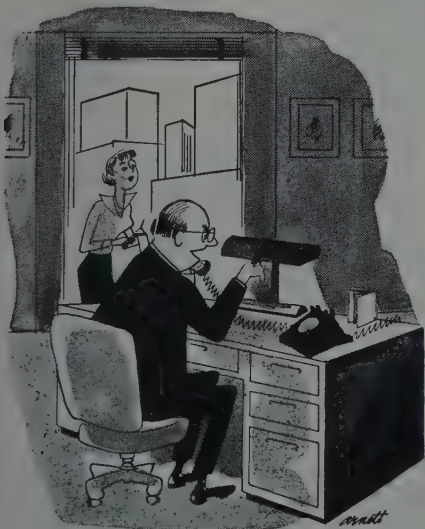
The Democrats want to make the soil bank compulsory. Unless made compulsory, they contend, it will not be effective this year. Many farm-state Republicans support this view. Democrats, of course, also want rigid parity of at least 90%.

Clearly, the President's farm program is going to turn into a political battle. Sen. Allen J. Ellender, (Dem., La.), chairman of the Senate Agriculture Committee, hoped to get farm legislation before Congress sometime this month. But political observers believe that after the first blush of bi-partisanship, a Republican-Democrat battle will be on.

The Republicans, themselves, are also not wholly in agreement. A midwestern delegation of GOP senators recently requested Agriculture Secretary Ezra Taft Benson to expand the administration's meat-buying program and drive up the prices of hogs and cattle. Same-time, farm leaders seem to be somewhat disappointed in Eisenhower's over-all plan. Charles B. Shuman, president of the American Farm Bureau Federation, thinks many of the points in Eisenhower's message fall far short of effectiveness. James G. Patton, president of the National Farmers' Union, usually identified with Democratic farm policies, believes the program is "disappointingly weak."

Briefly, here are some highlights of the administration's recommendations for aiding farmers:

- **Research:** Increase agricultural research by 20% (to an annual appropriation of \$103 million) to find new uses for crops, new crops and new markets.
- **Credit:** Make administrative, budgetary and legislative changes to assure credit to farmers who cannot obtain adequate financing by private institutions. House Republicans are very much in favor of this, also urge easier loan terms by the Federal Housing Administration.
- **Gasoline Tax:** Exempt farmers from Federal taxes now paid on gasoline used for farm production (a total of \$60,000,000 a year). This is another proposal especially favored by House Republicans.
- **Rural Development Program:** Eisenhower wants Congress to promptly approve a program recommended last year to aid 1,500,000 low-income farmers, and to help them learn new skills in business and industry. Congress authorized \$15,000,000 for a pilot operation. The President seeks twice that much.
- **Special School Lunch Program:** Extend this program for two more years and raise its funds 50% to \$75,000,000 a year.
- **Other surplus disposal plans:** Aside from the soil bank, the Administration wants to step up disposal of surpluses in Iron Curtain countries. He asks repeal of the Surplus Disposal Law that confines exports of Government-owned surplus foods and fiber stocks to friendly nations. Further, Secretary of Agriculture Benson plans to appoint a special expediter to move surplus food more rapidly. Known as the Agricultural Surplus Disposal Administration, he'll report directly to Benson, hopefully market those surpluses.



Caption—R. Smith

"My news is good & bad! I like your ideas but I'm changing agencies . . ."

ONE ADMAN'S OPINION

By Lester Leber

®

Happy birthday, Ben!

The anniversary of Benjamin Franklin's 250th birthday was observed earlier this month and many of Poor Richard's aphorisms were reprinted. Among them were:

"He who saves not as he gets, may keep his nose all his life to the grindstone."

"A fat kitchen makes a lean will."

"Who dainties love, shall beggars prove."

"Fools lay out money and buy repentance."

The same magazine that carried these sayings ran advertisements that must have had Ben spinning in his grave. Mutual of Omaha headlined: "Spend with an Easy Mind" followed by "A new car? Why not? Go ahead and buy it . . . stop being afraid that some emergency will make you sorry you spent what you did today."

Other companies preached the attractiveness of "fat kitchens" and "dainties." Philco made a big thing out of "TV that tunes itself." Pacific Sheets had a girl bragging "I never make my beds." Cadillac associated itself with the high living of a formal party. Pan-American Coffee Bureau suggested the "coffee-break." Credit Union said, "Members find it is cheaper to use a loan and handle major purchases with cash." Edison Voicewriter held up for envy the man who "catches the early train home."

Truth of the matter is that modern America gives lip service to Franklin's philosophy but believes in fun, leisure and spending tomorrow's income today.

Penalty of leadership

The newsletter of a New York publishing association comments about the dullness of advertising copy, saying that a good deal of it "seems to bear the stamp of corporate approval." Then the letter singles out for praise a current campaign for a breakfast food that puts "hustle in their muscle, vigor in their figger and yumyum in their tumtum . . . out west where men are he-men, and women are she-women, everyone eats H.O. Oats for breakfast."

Here is sprightly copy that made a deep impression on the news-

letter's author. He recalled it in great detail . . . except for one thing. The advertiser is Ralston, not H.O.

It's easy to stand on the sidelines and criticize advertising's quarterbacks. Sure, many of the plays they call are safe and sound, if uninspired, line plunges. But there's always the risk of interception on the spectacular forward pass.

Ralston's lively approach is daring. Though it may not have scored with the newsletter's writer, I am sure that it is doing well. Here's hoping Ralston continues to innovate, despite an occasional penalty.

The man who erred in identifying the sponsor is now more sympathetic toward admen. He was gracious enough to call the episode to my attention so his anonymity will be respected here.



From the mailbag

• Thanks to Leonard Kudisch of Schwerin Research, Al Rung of Western Railways Assn., Jacob Hay of B&O, Joe D. Singer of C&O, and H. B. Northcott of Union Pacific. They all phoned or wrote to tell me that about 50 railroads are now participating in a credit card plan.

• Norman Morris, Hollander of Canada, has forwarded another intriguing mailing piece from north of the border. It comes from the new publisher of Mayfair Magazine and is called "Rumor Rater." It collects all the rumors that have been floating around about this magazine and confirms or denies each of them.

• Jason Lane, Research Manager of NBC, comments on my objection to a study of newspaper ads vs. video commercials. To my statement that you can't compare printed apples with broadcast oranges he replies, "Mama warned me against adding apples and oranges, but I don't recall her warning me against comparing their costs." (Maybe she should have . . . because she would not have found the apples ideal for squeezing breakfast juice nor the oranges for making a pie.)



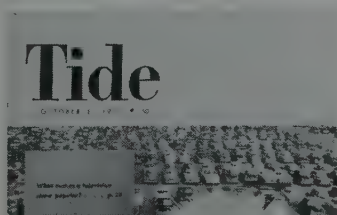
“...an integral part of marketing...”

Decisions not only on which type of media but also on which particular medium to use are an integral part of Borden's marketing considerations. In this competitive era, advertising investments must be analyzed as carefully as investments in plant, processes, materials or distribution facilities. Effective buying in all areas is an absolute prerequisite to efficient marketing.

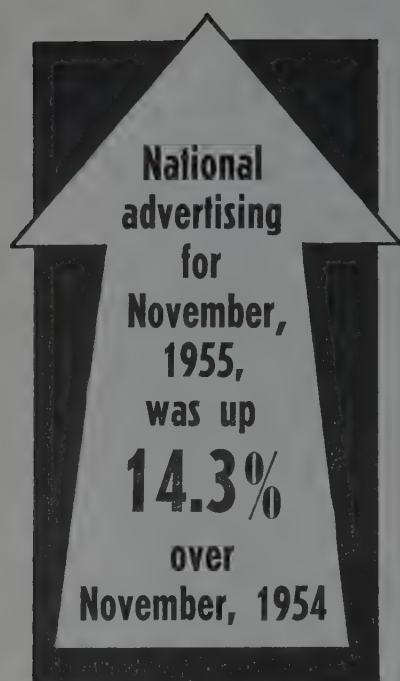
A. R. MARUSI
PRESIDENT
CHEMICAL DIVISION
THE BORDEN COMPANY

ONE OF A SERIES OF STATEMENTS BY MARKETING MANAGEMENT SUBSCRIBERS TO TIDE
EMPHASIZING THE IMPORTANCE OF TOTAL MARKETING STRATEGY TO MEDIA SELECTION

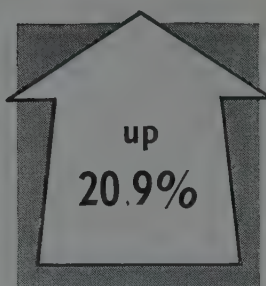
published as a service to the industry by



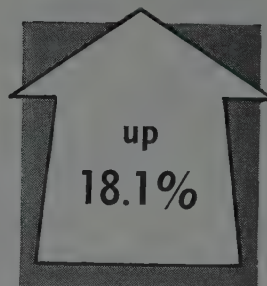
. . . the magazine of marketing strategy



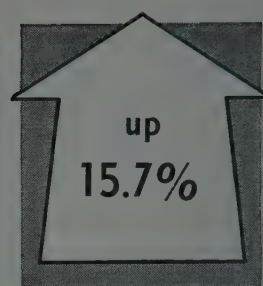
NETWORK TELEVISION



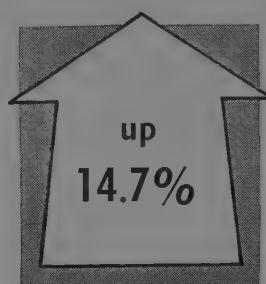
NEWSPAPERS



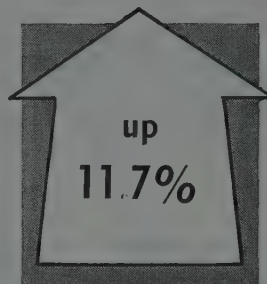
MAGAZINES



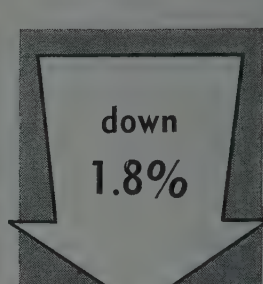
BUSINESS PAPERS



FARM PUBLICATIONS



OUTDOOR



National advertising volume continues upward

National advertising volume, backed by healthy growth in five of the six major measurable media, climbed fast in the closing months of 1955 to a point where it promised to run 15% better than 1954.

The Tide Advertising Index, prepared by J. K. Lasser & Co., unveils last November as another fine month: the Index figure of 219.2 for national advertising is a 14.3% gain over the Index rating of 191.7 for November, 1954.

For the same months, all individual media but outdoor registered gains. The comparisons:

- Network television jumped from 302.0 Index points to 365.1, a 20.9% increase.
- Newspapers climbed from 198.2 points to 223.4, a gain of 18.1%.
- General magazines recorded an Index rating of 168.9 in November, 1954, rose 15.7% to 195.4 points last November.
- Business publications did 14.7% better over the same period, from 180.6 Index points to 207.1.
- Farm books showed a gain of 11.7%, from 107.5 Index points to 120.1.
- Outdoor registered only a slight dip, a drop of 1.8%, from 162.4 points to 159.4.

For the year-to-date, all media are doing substantially better than a year ago. For the first 11 months of 1955, network television led the parade with a whopping 28.2% boost over 1954's comparable period.

The monthly change, from October to November, 1955, revealed only minor changes mostly reflecting seasonal fluctuations.

All Index figures used in the boxes at right are based on a ratio of 100 equal to the 1947-1949 average. The exception is television, where 100 equals the 1951 average.

YEAR TO DATE

	<u>1955</u>	<u>1954</u>	<u>% Change</u>
National Advertising . . .	183.2 . . .	162.1 . . .	up 13.0%
Newspapers	182.1 . . .	154.6 . . .	up 17.8%
Magazines	149.2 . . .	136.3 . . .	up 9.5%
Network Television . . .	313.9 . . .	244.9 . . .	up 28.2%
Outdoor	154.8 . . .	149.9 . . .	up 3.3%
Farm Publications	115.4 . . .	111.9 . . .	up 3.1%
Business Papers	184.8 . . .	166.5 . . .	up 11.0%

NOVEMBER, 1955, VS. OCTOBER, 1955

	<u>Nov. 1955</u>	<u>Oct. 1955</u>	<u>% Change</u>
National Advertising . . .	219.2 . . .	217.0 . . .	up 1.0%
Newspapers	223.4 . . .	224.4 . . .	down 0.4%
General Magazines . . .	195.4 . . .	180.3 . . .	up 8.4%
Network Television . . .	365.1 . . .	358.9 . . .	up 1.7%
Outdoor	159.4 . . .	169.8 . . .	down 6.1%
Farm Publications	120.1 . . .	126.9 . . .	down 5.3%
Business Papers	207.1 . . .	220.0 . . .	down 5.9%

ADVERTISING FORECAST

JANUARY 19, 1956

What's Going on at Biow- Beirn-Toigo:

The volcanic turmoil at Biow-Beirn-Toigo, with its rapid client turnover, evidently isn't over yet.

The changes started in 1954, when Biow (before he was joined by Kenneth Beirn and John Toigo) slipped from \$50,000,000 in billing to \$46,000,000, losing Procter & Gamble's Joy, Lady Esther, Dromedary, Eversharp and Bulova (while picking up Benrus, Seeman Bros., and Julius Wile Sons & Co.).

The latest turmoil started with Beirn's resignation as president on December 2. Following that, Pepsi-Cola switched its \$8,000,000 account to Kenyon & Eckhardt, Jacob Ruppert Brewery announced plans to change agencies, Whitehall Pharmaceutical transferred its \$8,000,000 to Ted Bates, and last week Biow resigned the \$9,000,000 Schlitz account acquired less than a month before. Since early December B-B-T has acquired Lanolin Plus, Englander Co., and Weston Biscuit Co.

Boom Due in Vodka Advertising:

Vodka-makers plan a big, breathless year of advertising in 1956.

Smirnoff, which leads the market by a good deal more than a breath, will take no chances on losing its status, **plans to increase by one-third its more than \$1,000,000 advertising budget.** Smirnoff will continue its immensely successful sophisticated appeal campaign with full schedules planned for Collier's, Ebony, Life, may later add Esquire and Look.

Sametime, second-place Samovar, Schenley's offering, **will increase its 1956 budget 500% over 1955,** will also merchandise a sophisticated trademark: a Schweppes-like bearded gentleman.

Other vodkas to watch include Seagram's new acquisition, Wolfschmidt; Park & Tilford's newly acquired Yar, Publicker's new Cavalier and rejuvenated Kulov; and Hiram Walker.

Wolfschmidt, acquired and introduced in California last spring by Seagram, **will now start a drive toward a national market,** starting this week with aggressive newspaper and outdoor advertising in New York, Miami and Washington (D. C.). Seagram, too, **will bet on an elegant trademark:** two grand-looking Russian wolfhounds.

Park & Tilford will market its new Yar in 80 and 100-proof variations, **will aim at mass market with "low calorie count" advertising** as well as "no after-breath" theme.

Publicker's new agency, Weiss & Geller, is still making plans for introduction of that company's new vodka, Cavalier (also headed for prestige treatment). Publicker's other offering, Kulov, which has been marketed in a few locales, is **slated for a national market, complete with new package & label.**

Hiram Walker's new agency, Foote, Cone & Belding (a switch from C. J. LaRoche) also plans a new (and, it claims, different) campaign for that vodka.

Eight-Page Ad
Is Digest's
Biggest:

Weyerhaeuser Timber Co. ad, running eight pages in February Reader's Digest, is the largest that magazine has run, but not the largest ever, either in pages or in revenue.

Among those larger was Chrysler Corporation's 12-page Life spread in fall 1954 which cost more than \$360,000. The Weyerhaeuser four-color bleed pages cost about \$240,000.

Weyerhaeuser's ad is particularly well-timed not only in view of unfavorable publicity the timber industry is receiving from the current Senatorial investigation (into possible exploitation of government land) but in view of the upcoming House investigation into conservation. The ad tells the story of the industry's conservation program and utilization of land, and how these serve to make our forests more profitable to all.

Women's Service
Magazines Had
Good Year:

Women's service magazines had a happy 1955: Good Housekeeping, Ladies' Home Journal, McCall's and Woman's Home Companion all showed gains in 1955 in both ad pages and revenue.

The increase can be attributed in part to new discount rates and to "creative use of space:" odd-size ads, color in small-space ads, "junior" pages, etc.

McCall's registered the biggest percentage gain, up 12.5% to 888 advertising pages. Good Housekeeping still leads the field in total ad pages, up 3.2% to 1,426 pages. Ladies' Home Journal, leader in total ad revenue (\$23,588,259), was up 12.3% to 1,210 pages, and Woman's Home Companion showed a 1.1% increase, up to 633 advertising pages.

Sametime, the women's service field's big competition, the store books, didn't fare as well. Better Living, Everywoman, Family Circle and Woman's Day all fell behind 1954 in both ad pages and ad revenue.

Business Pub Ad
Gives Advice
to Congressmen:

Largest McGraw-Hill advertisement and possibly the largest single business publication ad ever, ran earlier this month in the Washington Post & Times Herald, to give some timely advice to Congress.

The ad, a two-page editorial-type spread, was underwritten completely by Engineering News Record, McGraw's construction publication. Its aim: to help Congress over the big obstacle in the way of highway construction—how to finance highways. Its message: advice from 15 highway authorities on how best to finance a new highway program.

To make sure its message got to the right people, the magazine asked the Post to deliver copies (open to the right page) to members of the Senate Finance Committee, House Ways & Means Committee and Bureau of Public Roads, more than 100 Congressmen in all.

The ad is a condensation of articles written last year for a highway construction issue of ENR, brought out to analyze the Eisenhower construction program. That program was never passed because of inability of Congress to get together on financing.



Fawcett's Boynton & Daigh: they sell male superiority

A year after the shake-up...

Fawcett starts moving ahead

- Pre-tax earnings last year (January-November) were \$1,000,000.
- It still has a long way to go, but the road looks much clearer.

In mid-1954, Fawcett Publications, Inc., wasn't perhaps in a bad way, but its condition was far from good. Circulation had been in a fairly steady decline since 1945 and the losses of its newest publication, *Today's Woman*, were so heavy that founder W. H. Fawcett's dictum, "never continue an unprofitable book," was invoked and the magazine folded.

Fawcett's ills, said president W. H. (Buzz) Fawcett Jr.,* were due to some "honest" business blunders. The malady, he thought, was serious but curable. Then general manager Roger Fawcett started cleaning house and re-building Fawcett in a series of dramatic moves:

- He appointed James C. Boynton, American Weekly's eastern ad manager, as vice-president and director of advertising (the spot had been vacant for more than a year).
- He started a "Watch Fawcett" campaign in *Time* and the business press.
- He joined editorial director and vice-president Ralph Daigh's visits to Fawcett advertisers around the country.
- The editorial budget was cut 10% and a batch of new editors called in. After the new set-up got under way, the Fawcett brothers viewed the future as "healthy, wealthy and wonderful."

➤ Now, a little more than a year after the shake-up, the Fawcetts are confident enough of the company's direction to give out some earnings and sales data for the first time.

(Continued on page 46)

*The company is now run by W. H. Fawcett's sons, W. H. (Buzz) Jr., president; Roger, vice-president & general manager; Roscoe, vice-president & circulation director; Gordon, treasurer & business manager.



Take the True Pulse of your Medical Market with the qualified help of the **STATE MEDICAL JOURNALS**

RECEIVED BY ninety percent of the physicians in State Medical Societies. Read early, regularly and with cordial attention. Scientifically respected. Locally influential. Viewed with the confidence inspired by high standards in both editorial and advertising columns. Consistently used by most successful medical manufacturers, whose advertising investment returns are most carefully calculated.

What media are better qualified to reach the doctor's relaxed attention than his own State Medical Journals — *high in interest, readily accepted!*

YOUR LIST of State Journals, whether all or a few, handles as ONE PACKAGE — one contract, one original plate per ad, one statement.

STATE JOURNAL ADVERTISING BUREAU

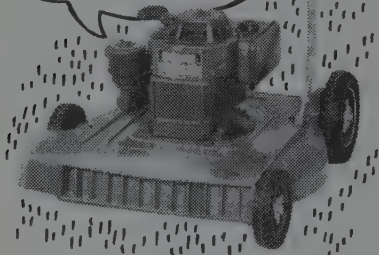
of the
American Medical Association
335 N. DEARBORN ST., CHICAGO 10, ILL.

ALABAMA—Journal of Med., Assn. of
ARIZONA—Medicine
ARKANSAS—Med. Soc., Journal of
CONNECTICUT—State Med. Journal
DELAWARE—State Med. Journal
DISTRICT OF COLUMBIA—Med. Annals of
FLORIDA—Med. Assn., Journal of
GEORGIA—Journal of Med. Assn. of
HAWAII—Med. Journal
INDIANA—State Med. Assn., Journal of
IOWA—State Med. Soc., Journal of
KANSAS—Med. Soc., Journal of
KENTUCKY—State Med. Assn., Journal of
LOUISIANA—State Med. Soc., Journal of
MAINE—Med. Assn., Journal of the
MARYLAND—State Medical Journal
MICHIGAN—State Med. Soc., Journal of
MINNESOTA—Medicine
MISSOURI—Medicine
NEBRASKA—State Med. Journal
NEW JERSEY—Journal of Med. Soc. of
NORTH CAROLINA—Med. Journal
OHIO—State Med. Journal
OKLAHOMA—State Med. Assn., Journal of
PENNSYLVANIA—Med. Journal
ROCKY MOUNTAIN—Med. Journal
(Colo., Utah, Wyo., New Mex., Mont.)
SOUTH CAROLINA—Med. Assn., Journal of
SOUTH DAKOTA—Journal of Med.
TENNESSEE—State Med. Assn., Journal of
TEXAS STATE—Journal of Med.
VIRGINIA—Med. Monthly
WEST VIRGINIA—Med. Journal
WISCONSIN—Med. Journal

What's this about
one lawn seed leading
its chief competitors
nearly 3 to 1 in
Minnesota?



Sure! Read
all about it in
Minnesota
Homemaker
Survey No. 5!*



*available on request from the

**Minneapolis
Star and Tribune**
EVENING MORNING AND SUNDAY

495,000 DAILY

625,000 SUNDAY

in Minnesota, North and South Dakota, western Wisconsin

*Ad leaders are readers—
of Tide, of course!*

**The ONLY Clipping Bureau reading
over 3,000 trade and class publi-
cations, as well as every English
language daily and 80% of the
weekly field.**

**LUCE
PRESS CLIPPING
BUREAU**

157 Chambers St., NYC 7—BArclay 7-2096
104 W. Linwood Blvd. 715 Harrison Street
Kansas City, Mo. Topeka, Kansas
Write or Phone for Details

Over the past 15 years, Fawcett's pre-tax earnings amounted to more than \$20,600,000, exceeded \$1,000,000 for the first 11 months of 1955. Gross sales for 1955 were approximately \$30,000,000, but the company won't say how much of the total its publications contributed (it owns the Fawcett Dearing Printing Co. in Louisville, which prints some well-known publications, including Woman's Day, The American Legion, Household, Capper's Farmer and Modern Photography, in addition to the Fawcett magazines; its distributing organization services more than 1,000 independent wholesalers in the U.S. with its own and other publishers' books).

True, Fawcett's biggest seller had an estimated monthly circulation of 1,814,000 in the last six months of 1955, up slightly from 1,800,624 in the first half and 3.2% above the comparable 1954 period. For the magazine's 20th anniversary issue next month, Fawcett thinks True will sell over 2,000,000 copies (circulation guarantee is 1,800,000), break the record of 1,959,000 copies sold in February, 1954.

On the advertising side, the picture is somewhat different. True's ad revenues last year were \$2,230,930, off from \$2,333,190 in 1954 and \$2,803,000 in 1953. The total number of ad pages declined to 309.10 from 352.69 in 1954 and 430.58 in 1953. These declines were registered in what was generally a boom year in magazine advertising. However, True claims that revenues for the last half of 1955 alone were 10% above the same period of 1954.

To perk up revenues, True has added to its sales staff and is making an even harder pitch for more advertising. Boynton can produce extensive market research from the Brand Names Foundation, U.S. Dept. of Agriculture, BBDO, and Cluett, Peabody (among others), to show that men, not women, make the majority of buying decisions, especially in cigarettes, liquor, men's apparel, automobiles, roofing paint, insulation, heating systems and gasoline.

Meanwhile, changes are taking place on other Fawcett publications:

- Last October, Motion Picture's editorial budget was doubled to add pages for columnists like Walter Winchell, Hedda Hopper, Shelia Graham, Earl Wilson and Sid Sokolsky.
- True Confessions got a new type face, gains 5,000 words an issue plus an expanded service section (e.g., food, beauty, fashion, child-care).
- Cavalier's editorial budget is up, too.

Fawcett figures such upgrading is the way to build circulation and attract more advertising. It still has a way to go, but the road looks clear.

**ALL UNDER
ONE BIG ROOF**

**AUTOMATIC AND
HAND INSERTING**

**MULTIGRAPHING
AND OFFSET**

PREMIUM MAILING

CONTEST JUDGING

ASSEMBLING SALES KITS

Client roster includes: Colgate-Palmolive Company, Esquire Magazine, Hoffman Publications, Lever Brothers, Thomas J. Lipton, Inc., National Biscuit Company, Reporter Publications and many other leading advertisers and agencies.

Bruce Richards

CORPORATION

Extra Service... Dependability...

Quality... at No Extra Cost

Write for brochure

250 FOURTH AVENUE • NEW YORK 3, N. Y.

25th Year of Service • GRAMMERC 7-8500

locate your product in VENDING!

AUTOMATIC vending opens important new channels of distribution without diverting or disturbing your present distribution set-up . . . brings your product into closer touch with the ultimate consumer . . . operates as the ideal sampling method!

WE HAVE over 19 years' experience serving the vending industry and offer you the advantage of our specialized knowledge to help fit your product into this rapidly expanding market.

Among our accounts . . .

AMERICAN CHICLE CO., Adams gum, Dentyne, Chiclets, Beemans.

APCO, INC., leading vending machine manufacturers.

N.A.M.A., official organization of the vending industry.

PEPSI-COLA CO., sales promotion campaigns.

TENCO, INC., roasters of instant coffee. Plus 50-odd manufacturers and distributors of vending machines and vendible products.

Consult with us concerning your share of the vending market at no obligation.

de-perri advertising, inc.

141 E. 44th St., New York 17, N. Y.

MURRAY HILL 7-4980

Trends & comment

- **Washington (D. C.) spectacular:** This week, network TV was the star in a probe of the broadcasting industry by the Senate Interstate & Foreign Commerce Committee. The committee, chairmanned by Senator Warren G. Magnuson (Dem., Wash.) is expected to delve into three principal questions, with Federal Communications Commissioners as the opening witnesses: 1) why hasn't FCC returned an opinion on the committee's majority report on network regulation and the UHF problem, issued last February? 2) what does FCC propose to do about the UHF muddle? 3) what has FCC's own network study group accomplished and what are its target dates? Actually, it is hard to see how the Magnuson probe of network TV and the FCC investigation cannot avoid duplication. For example, both plan to look into network-affiliate relations, multiple-station ownership, line charges and programing. However, Washington word is that the Senate probe really lacks vitality and is approaching matters fuzzily. If the Magnuson probe does not have effective results, Rep. Emmanuel Celler (Dem., N. Y.) may start his own separate investigation through the House Judiciary Committee.
- **Spec fever is catching:** ABC-TV, one-time anti-spectacular in programing, is planning two series of once-a-month live 90-minute shows. The first will include some six programs produced by the Theater Guild, the remainder will be done by the network. The second spec effort, "Book of the Month Club Theater," will draw from past BOM selections or alternates. ABC-TV plans to make some of these BOM properties into musicals. A spon-

sor of a single show will pay \$234,526 for a lineup of 104 stations. ABC-TV also is talking about getting "name" guest producers to handle the BOM series (e.g., Otto Preminger, Charles Laughton).

- **BBDO soon becomes the first advertising agency to use closed circuit TV** in the way some of its clients have. Through ABC-TV, BBDO will line up a closed-circuit network (using 10 Sheraton Hotels) to reach the agency's personnel in those cities. The hour-long program will originate from Manhattan's Roosevelt Hotel, where BBDO will hold its annual meeting.

- **Last fortnight, NBC-TV began Window, a five-minute shopping program for use by department stores.** Sold individually by NBC-TV's owned & operated stations, Window integrates commercials for a department store client with editorial material on the store itself. A "Window" can be inserted in programing schedules at various times during the broadcast day. Window is sold either on a one-time weekly basis (\$325 for one on WRCA-TV, New York) or on a five-time weekly, 13-week basis (\$1,300 a week on WRCA-TV). Prices vary according to the circulation in each of the markets represented by NBC-TV's five owned and operated stations (Chicago, Los Angeles, New York, Philadelphia and Washington).

- **A "Television City" on Manhattan's west side may become a reality if realtor William B. Zeckendorf has his way.** Zeckendorf proposes a \$300-500 million redevelopment of nearly 50 acres of Manhattan's west side between 9th and 12th avenues and 30th and 38th streets, now chiefly the freight yards of the New York Central Railroad. The project would be completed by 1960.



W. A. Patterson

President

United Air Lines

LIKE MOST
"Newsworthy"
BUSINESS
EXECUTIVES
MR. PATTERSON'S
LATEST
BUSINESS
PORTRAIT
IS BY . . .

Jean Raeburn

Photographers to the Business Executive
565 Fifth Avenue, New York 17—PL 3-1882



Caption—D. MURPHY

"... and so by combining 'Loss of Appetite' with 'Ever-present Hunger,' we cover the whole field."

An example of good PR

We can remember a day when a utility played its cards close to its corporate vest. Except for that information which it was required to make public, it kept everything else about its operations and policies a deep, dark secret.

We've come a long way since then, but we were still somewhat startled by an ad which ran recently in some New York newspapers. It was a frank statement of policies of the Bell Telephone System, evidently prompted by nothing more than a desire to make known its concern with public service.

The ad, signed by New York Telephone Co. president Keith S. McHugh, avoided the usual hackneyed phrases and made a simple, straightforward statement of policies involving service, employees, investors, public relations, politics and national defense. It deserves a place, we feel, in every basic public relations handbook.

A way out of the quandary

Automobile dealers, as we pointed out last issue (*Tide*—January 14), are in a bit of a quandary today. Thanks

to auto makers' concentration of volume sales, dealers are being forced to adopt hard-sell techniques which they neither enjoy nor consider profitable.

Fortunately, however, there are a few dealers who thrive on competition and who seem to make a healthy profit at the same time. They've come up with a variety of techniques—some, admittedly, bordering on the fantastic—to keep their volume high.

A California Pontiac dealer, realizing that heavy floor traffic is essential to any high-volume business, attracts attention by placing a tag on every car indicating exactly what he, the dealer, paid for it. This system, sort of price-packing in reverse, gives the customer confidence and lets him know just what kind of deal he's making.

In Quincy (Ill.) a Chevrolet dealer wanted to move five used cars, ran a newspaper ad which told, in a humorous vein, just how junky the cars were. The transmission on one, for example, was described as "funny." Said the dealer: "You don't know whether it is going to shift or whether it has." Another battered model featured "music and stove," meaning radio & heater, but the ad pointed out that you're

lucky if you can hear the radio over the noise of the engine. All the prices were fantastically low—every one under \$100—and we have no doubt that this technique turned up some buyers.

In Newark (N. J.), a new Oldsmobile dealer made an introductory offer of a brand new 1956 Oldsmobile for just under \$2,000—a fantastic price even if the car was completely stripped. Considering today's price-conscious automobile shoppers, this newspaper ad undoubtedly packed his showroom.

Another New Jersey dealer made probably the most fantastic offer to the first 40 customers who came in. He offered two new Fords for the price of one. You buy a 1956 Ford now, trade it in when the 1957 models come out and you get a 1957 Ford at no extra cost. While the ad doesn't specify what accessories will be included on either car, possibly the secret to the deal, we have no doubt this dealer is going to move his merchandise.

One way to get attention

Considering the volume of promotional material that is circulating today, it takes something really ingenious to attract attention. House & Garden accepted the challenge and came up with a clever idea to promote its Color Program.

H&G used color television to get its point across. The promotion piece looks like a television set; when you turn a knob on the right (the knob is really a colored coffee measuring spoon provided by Monsanto Chemical Co., which tied in with the promotion), the black & white photo of a kitchen falls away and reveals the same kitchen in bright, vibrant color. It's dramatically effective.

However, we have one complaint with it. It's eye-catching, colorful, effective—but it doesn't give you the slightest hint as to what H&G's Color Program is, what it does, and why anyone should be interested in it. To find this out you have to call some young lady who supposedly has the answers.

Wouldn't it have been better to give a potential advertiser a brief explanation, at least enough for him to judge whether or not he has an applicable product? There are plenty of busy executives who are hesitant to waste even one telephone call.

No "minor" medium, this

Like several other "minor" advertising media, matchbooks have never gotten enough attention. When you figure that about 300,000 different companies (approximately one out of every 13 U.S. business concerns) use matchbook ad-



HOME OF THE FAMOUS
Hawaiian Room

● Just 3 minutes from New York City's Grand Central Terminal and conveniently near to the Fifth Avenue shopping district, the Lexington is centrally located. Its 801 outside rooms are all equipped with combination tub and shower bath, circulating ice water, full-length mirror, 4-station radio. Television.

"New York's Friendly Hotel"

Hotel Lexington

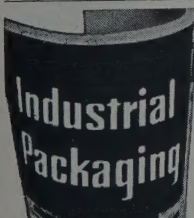
Near the United Nations
LEXINGTON AVE. AT 48th ST., N.Y.C. 17

New Operations V. P. Named by Colorado Fuel & Iron Corp.

Hubert C. Smith has been elected vice president in charge of operations of the Eastern Division of Colorado Fuel & Iron Corporation. He will make his headquarters in Claymont, Delaware. This year the Corporation is continuing its multi-million dollar expansion and modernization program at its plants across the nation.

Mr. Smith and many of his fellow executives at Colorado Fuel & Iron are daily Wall Street Journal readers. Circulation is 376,426 and total readership is nearly double that figure. Everywhere, the men who are stepping up in business read The Wall Street Journal. And . . . no one is more responsive to advertising than the man who keeps getting ahead.

(Advertisement)



different
because it is a
specialized
magazine serving
the specialized
needs of a big
specialized field..

★ send for market
story, sample copy

HAYWOOD PUBLISHING CO.
22 E. HURON ST. CHICAGO 11

brentano's presents
A new book edited
by U. S. publicist No. 1
Edward L. Bernays

**THE
ENGINEERING OF
CONSENT**

\$3.75

Mr. Bernays and other experts
in the field of public relations show you
how they apply engineering principles to
win support for an idea. Chapters by Mr.
Bernays, Howard Walden Cutler, Sher-
wood Dodge, Nicholas Samstag, Doris
Fleischman Bernays, John Price Jones,
Benjamin Fine and A. Robert Ginsburgh.

Send check or
M. O. to **brentano's**
586 Fifth Ave., N. Y. • PLaza 7-8600

vertising, and that matchbooks make an estimated 12.5 billion advertising impressions a year, "minor" couldn't be a more inaccurate word to describe the medium.

However, from all indications, interest in matchbook advertising is picking up, thanks not only to the match industry's annual "Joshua" awards for outstanding matchbook advertising, but to matchbooks themselves. Some of the newer ones, frankly, show real ingenuity.

Brown-Forman, for example, has a matchbook called "poker matches" in which some 15 different poker hands (imprinted on the matches themselves) are offered in each book. Another book allows you to write your name in gold on the front; Whyeth Laboratories send them to doctors who, in turn, use them as "personalized" office matchbooks. One match company puts out matchbooks with adhesive backing, allowing smokers to attach the books to a pack of cigarets on the dashboard of the car.

More of this sort of thinking will attract advertisers' interest to a medium that certainly deserves it.

Selling and the economy

Dr. Frank Kingdon, famous lecturer, author, radio commentator and newspaper columnist, is also editor of a relatively new publication, The American Salesman. We were never aware, previously, that Kingdon was an expert on selling and salesmanship—until we heard him talk recently to the New York Premium Club.

Kingdon spoke on the outlook on buying and selling in 1956 and the years ahead. He made some pointed and penetrating comments about salesmanship, mainly to the effect that salesmen must change their point of view in order to realize the opportunities of our changing and growing economy.

New markets—alive, vital and lucrative markets—are opening up right now, and salesmen have to adapt their thinking to realize the potential. The danger, Kindon explained, is that a salesman can slam the door of opportunity in his own face by expecting a force outside himself to provide the sales. The most important thing, he added, is for salesmen to develop the "technical know-how of salesmanship." And he went on at length to explain how salesmen can do this.

At a time when marketing is developing as a science, probably not enough thought is being given to theories such as Dr. Kingdon puts forward. Our economy wouldn't suffer from several more doses of the same.

The Editors

How Co-Op Rose Growers uses businesspapers to branch out into new channels of distribution

CO-OPERATIVE ROSE GROWERS INC. OF TYLER, TEXAS
CAN MAKE YOU EXTRA PROFITS



CO-OPERATIVE ROSE GROWERS INC. OF TYLER, TEXAS

OBJECTIVES: To sell new types of concerns on handling roses and convince merchants that rose bushes mean extra profits.

SCHEDULE: Three-page, four-color inserts in two merchandising papers.

RESULTS: "Over 150 individuals and chains were interested and 38 of these are now handling a large volume. Others are being set up as quickly as possible. It is estimated that from this one advertisement, a potential sale of over \$1,000,000 is possible."

AGENCY: William F. Finn and Associates.

**building better businesspapers...
better businesspaper advertising**

THE ASSOCIATED BUSINESS PUBLICATIONS
Founded 1906 • 205 East 42nd St., New York 17, N. Y.

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PRINTED BY

THE BILLBOARD PUB. CO., CINCINNATI 22, O.

LETTERS

Old vinegar in a new bottle

Sirs:

I don't like writing letters to editors, and have never written one in my life up to now, but there comes a time when you can take no more. I've been reading *Tide*, with both pleasure and profit for some time, including Lester Leber's column, but now he is jumping on the down-with-Zenith bandwagon because that particular manufacturer had the temerity to point out what we the listeners have known for years: not many commercials are worth listening to. Most are so much blah. To have dramatic continuity interrupted, to hear music cut off between movements to make a selling point, to have one's intelligence insulted in a way that would be permitted to no other guest in the home—that is the effect, if not the intention, of most television advertising.

Mediocrity is natural from so much ground-out hard selling. As a television viewer I am a kind of captive audience—captive to my own laziness, to the impracticality of turning down the volume everytime the urge strikes me. Zenith adds a much-needed household convenience, somewhat equivalent to the light switch (I'd hate to have to unscrew a light bulb to turn the lights off). In other words, Zenith is making it easier for me, the consumer, to do what I please. Zenith is not biting the hand that feeds it; advertising doesn't feed Zenith. I, the consumer, feed Zenith, and it's about time you Madison Avenue casuists got that straight. I also, as a matter of fact, feed advertising, but I have neither the strength nor the inclination to have the sum total of television advertising blared into my being when I am not in the mood for it, which is most of the time, even while watching television.

I don't want to hear sales pitches 50

times in the course of an evening. I'm paying for the entertainment anyway, so spare me an enumeration of my duties toward the sponsor.

You advertising men love to take constant stock of yourselves—well and good. In the same way that Stephen Leacock presumed to advise the banking industry, from his 20 years' experience as a depositor, I presume to advise you: spend a little less time picking fleas from each other's hair and a lot more in evaluating the function of advertising in terms of the wide, wide world. . . .

Don Frifield

Assistant Secretary
Wood Office Furniture Institute
Washington, D. C.

Traveling man

Sirs:

In browsing through your most interesting and informative publication of December 17, I came to the column "One adman's opinion" by Lester Leber. The first paragraph of the lead topic made me stop cold and wonder whether or not the Union Pacific and about 46 other national railroads should not look toward their advertising agencies with somewhat of a jaundiced eye.

I have reference to the information that a deposit of some substance is necessary prior to acquisition of an Air Travel Credit Card; but even this drawback is better than the railroads, where tickets must always be purchased for cash. This statement either indicates that the advertising and public relations endeavors of a great many railroads and several railroad associations are entirely ineffective, or Mr. Leber is not very widely read.

As of August 1, 1955, 43 national railroads, the Union Pacific one of them, entered into a credit card arrangement



Caption—C. CHANDLER

"... and the next time you double our sales,
do it while I'm in town."

which, in most instances, borders very closely with Western Union in its liberal aspects. Since that time, other roads have joined, now numbering 47, and some of the lines had this credit arrangement long before August 1.

Aside from the fact that the majority of the major railroads do extend credit cards, the point I wish to make in particular, which is timely to Mr. Leber's column, is the fact that not one sou is required in advance deposit for the acquisition of a Rail Travel Credit Card. All that is necessary is an acceptable credit rating which, in these times of prosperity, is the endowment of most everyone.

I trust you can make arrangements to let Mr. Leber read this letter, or at least advise him of its contents.

E. A. Klippel

General Passenger Traffic Manager
Union Pacific Railroad Co.
Omaha

We have similar letters from the Assn. of Western Railways, the Baltimore and Ohio Railroad Co. and others, all pointing an accusing finger at Columnist Leber. At last count he had 11 credit cards, 14 critical letters and a jaundiced look from us.—Ed.

A great amen

Sirs:

Amen to your "footnotes" hope that 1956 will see an end to "the ill-timed and ill-advised attacks on the 15% advertising agency commission."

It's hard to find any system that has done so many (our expanding economy) for so many (consumers, manufacturers, media, agencies) and been condemned so roundly (Department of Justice and ANA) with so little in the way of a workable alternative (in fact, zero).

That nice round 15% is such a successful figure that I wish for Tide in 1956 the same I wish myself and other people I like—a modest 15% increase in everything good.

Stanley H. Katz

Leber & Katz
New York City

Schweppervescence

Sirs:

Having found the Schweppes jingles quite amusing, I was astonished at your criticism of these innocuous stanzas as "some of the most distasteful limericks . . . this side of pornography" (Ebb and Flow—December 31).

As a typical consumer, I think your assertion that these jolly jingles will harm Schweppes prestige is more ridiculous than the verses you condemn. Unlike your comments, the Schweppes limericks were obviously intended to be nonsense—or is it possible that you were trying to be funny, too?

Allen Glasser

Cantor Publications
New York City



caption: _____



caption: _____

name _____ title _____

company _____

address _____

city _____ state _____

cartoon
contest

■ We'll gladly mail you a \$2.00 check if we use either of the captions you submit for the cartoons on this page. Send them to Tide, Box CC, 232 Madison Avenue, New York 16.

To Washington on a Bongo Board

Among the classic resolutions we make every year is the one about not getting involved in political discussions. It's about the best way, we've found, to lose friends and alienate people.

But when we wandered into a Madison Ave. bar recently for a nip of schnapps, we found ourselves irresistibly drawn into a discussion of candidates, platforms and votes. And, with only the mildest twinge of conscience, we proceeded to break our resolution.

After we finished solving the farm problem, a young agencyman began on another tack. While the greatest interest is naturally concentrated on presidential candidates, he said, a little more thought ought to be given to the vice-presidential candidates. Then he made his proposal.

This country's biggest problem, he explained, is world-wide communications—how to get our message across to people in other countries. Why not, he asked, run a man for vice-president who's experienced in communications? Say, NBC board chairman Sylvester "Pat" Weaver.

The thought struck us all like a bolt of lightning. Why not Pat Weaver for vice-president? Why not the man whose creative ideas have helped lead television into a new programing concepts? Why not the man who proposed a world-wide TV network to bring U.S. culture and life to foreign peoples?

Immediately the wheels began to turn. A tableful of creative minds started to develop this gem of an idea.

Does it matter which party nominates Weaver? Not really, because the vice-president—in this case, anyway—would be a non-partisan position. If the Democrats nominate him, you've got a natural combination of party symbols: the donkey picking out a tune on the NBC chimes. If the Republicans name him as their veep candidate, the natural combination is still there: an elephant balancing himself on a Bongo Board.

And whichever party picks him, he has a ready-made slogan in the American tradition: "Equal time for all."

When it comes to the campaigning, Weaver should be a natural: after all, any man who can balance himself on a Bongo Board should be able to balance himself on the political fence and attract voters from both parties. And as for the bloodier elements of political campaigning—the mud-slinging, character assassination, etc.—nobody ever mistook the radio & television industry for

a garden of sweetness and light.

Would anyone have to "sell" Weaver to the people? Evidently not. He's already well known, thanks to extensive articles in Time, Newsweek, Life and similar mass circulation magazines. He's already acknowledged as a master of the art of communication, even though his subordinates admit his memos require an occasional bit of explanation.

He's young (which would attract the youth vote), he's a businessman (which should appeal to the business circle), he's good-looking (which won't hurt his political standing with the women), he brightens the life of the working man with entertaining TV shows (which could conceivably win him the labor vote), and he's an intellectual (which could wrap up the liberal vote as well).

Now that our little group of political analysts agreed that Weaver could win on any ticket, the next question was, how do we get him started. The answer was quick and intriguing: have him interviewed by Edward R. Murrow on Person to Person (provided, of course, he had already divorced himself from NBC). With hesitation, we proceeded to write the script.

MURROW: Good evening. I'm Ed Murrow. The name of the program is Person to Person. It's all live. There's no film. Tonight in our series of informal visits we will go to Sands Point, Long Island, the home of Sylvester Weaver, better known as Pat, former board chairman of a television & radio network and now a declared candidate for vice-president of the United States. Good evening, Pat.

WEAVER: Good evening, Ed.

MURROW (brushing cigaret ashes from his lapel): Pat, why did you decide to run for vice-president?

WEAVER: Well, Ed, it was a fortuitous concatenation of circumstances. I know that politics is often a rather dirty business, and I don't plan to try to clean it up. I think it was John James Ingalls who said, "The purification of politics is an iridescent dream." I just wanted to deep-six a lot of old theories propounded by some galactic clusters on world communications. I want to use television on a world-wide basis to upgrade humanity across a broad base.

MURROW (brushing cigaret ashes from his necktie): That's interesting, Pat. Have you planned your campaign?

WEAVER: Yes, Ed. First I planned to gather all the facts I could. But



NBC board chairman "Pat" Weaver: let's deep-six the old theories

then I remembered the advice of Henry Books Adams, who said, "Practical politics consists in ignoring facts." So I decided to "ear the ground" instead, to smear some of my ideas on the cat and see if they rub off. I want to tell the people about the new cosmology and see how they feel about the cybernetic civilization.

MURROW (brushing cigaret ashes from his trousers): That's fine, Pat. I'm afraid we have to make another visit, so we'll be leaving now. Good luck on your campaign.

WEAVER: Thanks Ed. And good night.

MURROW: Good night, Pat.